

RESOLUTION NO. 25-2018

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PROJECT AGREEMENT WITH MESQUITE QUALITY OF LIFE CORPORATION FOR THE PAYMENT OF COSTS RELATED TO RECONSTRUCTION OF TOWN EAST BOULEVARD FROM US HIGHWAY 80 TO SKYLINE DRIVE AND CONSTRUCTION AND INSTALLATION OF AN ADJACENT PEDESTRIAN TRAIL ON THE EAST SIDE OF TOWN EAST BOULEVARD IN THE AREA TO BE RECONSTRUCTED, RECONSTRUCTION OF SCYENE ROAD FROM CLAY MATHIS ROAD TO LAWSON ROAD AND RECONSTRUCTION OF GUS THOMASSON ROAD IN THE AREA OF THE THOMASSON SQUARE REDEVELOPMENT PROJECT; APPROVING EXPENDITURE OF FUNDS BY THE CORPORATION IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, Mesquite Quality of Life Corporation (the "Corporation") is a non-profit industrial development corporation created, existing and governed by the Development Corporation Act, Chapters 501, 502 and 505, Texas Local Government Code, formerly Section 4B of Article 5190.6, Tex. Rev. Civ. Stat. Ann., as amended (the "Act"); and

WHEREAS, there has been presented to this City Council a Project Agreement (the "Project Agreement") between the City of Mesquite, Texas (the "City") and the Corporation to provide for the funding and construction of transportation infrastructure consisting of reconstruction of Town East Boulevard, from US Highway 80 to Skyline Drive and construction and installation of an adjacent pedestrian trail on the east side of Town East Boulevard in the area to be reconstructed, reconstruction of Scyene Road from Clay Mathis Road to Lawson Road and reconstruction of Gus Thomasson Road in the area of the Thomasson Square Redevelopment Project (the "Projects"); and

WHEREAS, Section 501.073 of the Act requires that the City approve the programs and expenditures of the Corporation; and

WHEREAS, the purposes for which said Project Agreement is to be executed and delivered by the Corporation are within the purposes for which the Corporation was incorporated, as provided in its articles of incorporation and the Act; and

WHEREAS, this City Council finds and determines that it is necessary and appropriate to approve the execution and delivery of the Project Agreement for the purposes hereinabove provided, as a program of the Corporation, and to approve the expenditure of Corporation funds to pay costs of the Projects as set forth in the Project Agreement.

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

SECTION 1. Findings. The statements contained in the preamble of this Resolution are true and correct and are adopted as findings of fact and operative provisions hereof.

SECTION 2. Approval of Project Agreement. The undertaking of the Projects by the Corporation and the Project Agreement in substantially the form and content attached hereto as Exhibit "A" are hereby approved and the Mayor or Mayor Pro Tem is hereby authorized and directed to execute and deliver the Project Agreement.

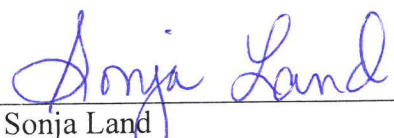
SECTION 3. Approval of Program and Expenditures of Corporation. The execution and delivery by the Corporation of the Project Agreement, and the Corporation's expenditure of funds to pay costs of the Projects as set forth in the Project Agreement, are hereby approved as a program of the Corporation.

SECTION 4. Effective Date. This Resolution shall become effective immediately upon adoption.

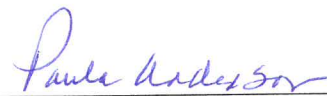
DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 7th day of May, 2018.



Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


Paula Anderson
Interim City Attorney

PROJECT AGREEMENT

THIS PROJECT AGREEMENT ("Agreement"), dated as of May 7, 2018, is executed by and between the City of Mesquite, Texas (the "City"), and the Mesquite Quality of Life Corporation (the "Corporation").

WITNESSETH

WHEREAS, the Corporation is a nonprofit development corporation duly established and created by and on behalf of the City of Mesquite, Texas (the "City") pursuant to Section 4B of The Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes, as amended, and now operates under the provisions of Chapters 501, 502 and 505 Texas Local Government Code (the "Act");

WHEREAS, at an election held on August 14, 1999, in accordance with the provisions of the Act, the voters of the City approved and the City has levied a one-half of one percent sales and use tax (the "Sales Tax") for the benefit of the Corporation, to be used exclusively for the purposes set forth in the Act;

WHEREAS, the City Council of the City (the "City Council") and the Board of Directors of the Corporation (the "Board ") have determined it to be in the best interest of the City to undertake projects to provide transportation infrastructure consisting of: (i) reconstruction of Town East Boulevard, from US Highway 80 to Skyline Drive, and construction and installation of an adjacent pedestrian trail on the east side of Town East Boulevard in the area to be reconstructed; (ii) reconstruction of Scyene Road, from Clay Mathis Road to Lawson Road; and (iii) reconstruction of Gus Thomasson Road in the area of the Thomasson Square redevelopment project (the "Projects") and to pay maintenance and operating costs of the Projects, all as authorized by the Act;

WHEREAS, the City and the Corporation have found that the costs related to the Projects to be paid from the Sales Tax pursuant to this agreement will not exceed the costs of such Projects that are eligible to be paid from the Sales Tax;

WHEREAS, after due consideration of the available means to finance the costs of the Projects, the benefit to the City, the Corporation, and the citizens of the City of providing the Projects, and the purposes for which the Corporation was created and the Sales Tax was authorized, the City Council and the Board have further determined that the most cost effective and beneficial arrangement would be for the City to issue its certificates of obligation (the "Certificates of Obligation"), secured by the City's ad valorem tax taxing authority, with the understanding and agreement that the Corporation would pay the costs of such Projects as described below, by remitting to the City from the receipts from the Sales Tax amounts equal to the principal of and interest on the allocable portion of the Certificates of Obligation issued to finance the costs of such Projects, as such principal and interest shall become due and payable; and

WHEREAS, the parties hereto find it necessary and advisable to enter into this Agreement with respect to the Projects in accordance with Texas Local Government Code, Section 501.054 to set forth the duties and responsibilities of the respective parties for the implementation and funding of the Projects.

NOW, THEREFORE, in consideration of the covenants and agreements herein made, and subject to the conditions herein set forth, the City and the Corporation agree as follows:

Section 1. DEFINITIONS AND INCORPORATION OF PREAMBLES. The terms and expressions used in this Agreement, unless the context shows clearly otherwise, shall have meanings set

forth herein, including terms defined in the preambles hereto, which preambles are incorporated in and made a part hereof for all purposes.

Section 2. FINANCING OF PROJECTS.

(a) The parties agree that the costs of the construction of the Projects, in the amount of \$9,300,000, will be paid from a portion of the proceeds of the Certificates of Obligation to be issued and sold by the City pursuant to Subchapter C, Chapter 271, Texas Local Government Code, as amended. The City and the Corporation acknowledge and agree that said Certificates of Obligation may be issued for other purposes in addition to providing funds to pay the costs of the Projects.

(b) The debt service costs related to the Projects to be paid by the Corporation shall be an amount equal to the principal amount of the Certificates of Obligation issued to fund the Projects, plus interest on such principal amount.

Section 3. OBLIGATION OF THE CORPORATION.

(a) The Corporation agrees to pay costs related to the Projects as set forth in Section 2(b) above, in accordance with the provisions hereinafter set forth. The City agrees to establish and maintain a separate account (the "Payment Account") on the books of the City for all payments made by the Corporation in accordance with this Section.

(b) Attached hereto and incorporated herein is Exhibit A showing the payments described in Section 2(b).

(c) For each annual period beginning October 1 and ending the next September 30, commencing October 1, 2018, the Corporation shall make a payment to the City, on or before the September 1 preceding each such annual period, of the amount to be paid for such annual period as described in Section 2(b) above. Such payments shall be made until all amounts to be paid pursuant to Section 2(b) above have been made.

(d) No later than August 15 of each year, the City shall calculate the amount of investment earnings and any other amounts on deposit in the Payment Account and the annual payment due on the next September 1, taking into account such investment earnings and any other amounts credited to the Payment Account, and shall provide such calculations and annual payment amount to the Corporation.

(e) If for any reason the Corporation does not make its payments in full on the due dates thereof, any such deficiency shall, subject to subsection (f) hereof, be made up from the next available Sales Tax revenues of the Corporation.

(f) The Corporation agrees that the payments due hereunder to the City for the payment of the debt service on the Certificates of Obligation will be incorporated and included in the Corporation's annual budget, as adopted or amended, and the City shall be entitled to a first claim on and right to the amounts budgeted each year for the payment of the Certificates of Obligation; provided, that the Corporation's obligation to make the payments due hereunder shall be subject to the Corporation's annual budgeting and appropriation and shall be subordinate to the Corporation's obligations which are secured by a pledge of the Sales tax in accordance with the terms of said obligations.

(g) The Corporation may prepay the amounts described in subsection (c) above, and any such amounts prepaid shall be credited against the next amount or amounts due from the Corporation.

(h) The Corporation agrees that the City shall be entitled to a first claim on and right to the amounts budgeted each year by the Corporation for the payment of debt service on the Certificates of Obligation.

Section 4. CONSTRUCTION CONTRACTS; OWNERSHIP OF THE PROJECTS.

(a) The City will construct the Projects and the Projects will be owned by the City.

(b) The City shall be solely responsible for maintenance and operating costs of the Projects.

(c) The Corporation shall be solely responsible for any costs of the Projects in excess of the proceeds of the Certificates of Obligation available for such purpose.

Section 5. FINANCING OF THE PROJECTS, CONSTRUCTION AND COMPLETION. The City agrees that upon receipt of the proceeds of sale of the Certificates of Obligation, it will proceed with due diligence with the construction and completion of the Projects.

Section 6. REGULATORY BODIES. This Agreement shall be subject to all valid rules, regulations, and laws applicable thereto passed or promulgated by the United States of America, the State of Texas, or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 8. COUNTERPARTS. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

Section 9. SEVERABILITY. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.


Section 10. TERM OF AGREEMENT. The term of this Agreement shall be for the period during which the Certificates of Obligation are outstanding.

(Execution Page Follows)

IN WITNESS WHEREOF, the Corporation and the City, acting under authority of their respective governing bodies have caused this Agreement to be duly executed and effective as of the date first set forth above.

MESQUITE QUALITY OF LIFE CORPORATION

CITY OF MESQUITE, TEXAS

By: 
President, Board of Directors


By: 
Mayor

EXHIBIT A

Corporation Payment Obligations

(See attached)

Final Numbers

City of Mesquite, Texas

Combination Tax and Limited Surplus Revenue

Certificates of Obligation, Series 2018

(4B Debt Service)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	210,000.00	4.000%	441,268.06	651,268.06
09/30/2020	295,000.00	4.000%	358,650.00	653,650.00
09/30/2021	305,000.00	4.000%	346,650.00	651,650.00
09/30/2022	315,000.00	4.000%	334,250.00	649,250.00
09/30/2023	330,000.00	4.000%	321,350.00	651,350.00
09/30/2024	345,000.00	4.000%	307,850.00	652,850.00
09/30/2025	360,000.00	4.000%	293,750.00	653,750.00
09/30/2026	370,000.00	4.000%	279,150.00	649,150.00
09/30/2027	385,000.00	4.000%	264,050.00	649,050.00
09/30/2028	405,000.00	4.000%	248,250.00	653,250.00
09/30/2029	420,000.00	4.000%	231,750.00	651,750.00
09/30/2030	435,000.00	4.000%	214,650.00	649,650.00
09/30/2031	455,000.00	4.000%	196,850.00	651,850.00
09/30/2032	475,000.00	4.000%	178,250.00	653,250.00
09/30/2033	495,000.00	5.000%	156,375.00	651,375.00
09/30/2034	520,000.00	5.000%	131,000.00	651,000.00
09/30/2035	545,000.00	5.000%	104,375.00	649,375.00
09/30/2036	575,000.00	5.000%	76,375.00	651,375.00
09/30/2037	605,000.00	5.000%	46,875.00	651,875.00
09/30/2038	635,000.00	5.000%	15,875.00	650,875.00
Total	\$8,480,000.00	-	\$4,547,593.06	\$13,027,593.06

Yield Statistics

Bond Year Dollars	\$99,058.89
Average Life	11.681 Years
Average Coupon	4.5907976%
Net Interest Cost (NIC)	3.7111984%
True Interest Cost (TIC)	3.4413164%
Bond Yield for Arbitrage Purposes	2.8918685%
All Inclusive Cost (AIC)	3.5011307%

IRS Form 8038

Net Interest Cost	3.2509404%
Weighted Average Maturity	11.865 Years

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