## RESOLUTION NO. <u>33-2019</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT REGARDING THE CONSTRUCTION OF STREET, ROAD AND PEDESTRIAN TRAIL INFRASTRUCTURE WITH MESQUITE OUALITY OF LIFE CORPORATION ("CORPORATION") FOR THE PAYMENT OF COSTS RELATED TO: (i) THE RECONSTRUCTION OF TOWN EAST BOULEVARD, FROM US HIGHWAY 80 TO SKYLINE DRIVE; (ii) THE CONSTRUCTION AND INSTALLATION OF AN ADJACENT PEDESTRIAN TRAIL ON THE EAST SIDE OF TOWN EAST BOULEVARD IN THE AREA TO BE RECONSTRUCTED; AND (iii) OTHER PURPOSES PERMITTED BY LAW; 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 corporation created pursuant to Section 4B of the Development Corporation Act of 1979, Vernon's Ann. Texas Civil St. Art. 5190.6, as amended, now governed by Chapters 501, 502 and 505, Texas Local Government Code, as amended (collectively the "Acts"); and

WHEREAS, there was presented to this City Council an Agreement Regarding the Construction of Street, Road and Pedestrian Trail Infrastructure (the "Agreement") between the City of Mesquite, Texas (the "City"), and the Corporation to provide for the funding and construction of transportation infrastructure consisting of: (i) the reconstruction of Town East Boulevard, from US Highway 80 to Skyline Drive; (ii) the construction and installation of an adjacent pedestrian trail on the east side of Town East Boulevard in the area to be reconstructed; and (iii) other purposes permitted by law (collectively the "Project"); and

WHEREAS, the Corporation held at least one public hearing on the Project before spending money to undertake the Project; and

WHEREAS, pursuant to the terms of the Agreement, the City will issue its Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019 ("Certificates") in a principal amount not to exceed \$10,850,000, to finance, along with other City capital projects, the costs of the Project and the Corporation, through the Agreement, will reimburse the City with Corporation funds in an amount equal to the principal and interest of the portion of the Certificates attributable to the Project; and

WEHREAS, as more fully set forth in the Agreement, the City and the Corporation agree that the portion of the Certificates attributable to the Project shall not exceed \$3,000,000, plus interest; and

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

Finance/4B Agreement with MQOL/May 6, 2019 Page 2 of 2

WHEREAS, the purposes for which said 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 Acts; and

WHEREAS, this City Council finds and determines that it is necessary and appropriate to approve the execution and delivery of the 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 Project as set forth in the Agreement.

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

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

<u>SECTION 2.</u> <u>Approval of Agreement</u>. The undertaking of the Project by the City and the Corporation, and the 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 Agreement.

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

<u>SECTION 4.</u> <u>Effective Date</u>. This Resolution shall become effective immediately upon adoption.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 6th day of May 2019.

Stan Pickett Mayor

ATTEST:

Sonja Land City Secretary **APPROVED:** 

David L. Paschall City Attorney

# EXHIBIT "A"

Agreement between

The City of Mesquite and the Mesquite Quality of Life Corporation Regarding the Construction of Street, Road and Pedestrian Trail Infrastructure

## AGREEMENT REGARDING THE CONSTRUCTION OF STREET, ROAD AND PEDESTRIAN TRAIL INFRASTRUCTURE

STATE OF TEXAS	§
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COUNTY OF DALLAS, KAUFMAN	ş

This Agreement Regarding the Construction of Street, Road and Pedestrian Trail Infrastructure (the "Agreement") is entered into as of the 6<sup>th</sup> day of May, 2019, between the City of Mesquite, Texas, a municipal corporation situated in Dallas and Kaufman County, Texas (the "City") and the Mesquite Quality of Life Corporation, a non-profit corporation (the "Corporation") created pursuant to Section 4B of the Development Corporation Act of 1979, Vernon's Ann. Texas Civ. St., Art. 5190.6, as amended, now governed by the provisions of Chapters 501, 502 and 505, Texas Local Government Code, as amended (collectively the "Acts").

#### RECITALS

At a special election held within the City the voters have previously approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Sales Tax") as authorized by the Acts for quality of life and economic development purposes limited to transportation, public safety and public parks and recreation projects as set forth in the election authorizing the Sales Tax, held on August 14, 1999 (the "Election").

The Corporation was formed pursuant to the Acts and the Election for the purpose of promoting and encouraging the public welfare of the City and to promote economic development in the City limited to transportation, public safety and public parks and recreation projects within the City. Pursuant to the provisions of the Acts, the City collects the Sales Tax and pays it to the Corporation.

The City and the Corporation wish to proceed with a joint development project pursuant to the terms of this Agreement to provide for the funding and construction of transportation infrastructure in the City consisting of: (i) the reconstruction of Town East Boulevard, from U.S. Highway 80 to Skyline Drive; (ii) the construction and installation of an adjacent pedestrian trail on the east side of Town East Boulevard in the area to be reconstructed; and (iii) other purposes permitted by law (collectively, the "Project").

The City and the Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Combination Tax and Surplus Revenue Certificates of Obligation, Series 2019 (the "Certificates") in a principal amount not to exceed \$10,850,000, to finance, along with other City capital projects, the costs of the Project, with the agreement of the Corporation to pay for the principal and interest of that portion of the Certificates attributable to the Project, as more specifically enumerated herein.

## AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

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### ARTICLE I

## THE PROJECT

Section 1.01. <u>Completion of the Project</u>. The City agrees to contract with all individuals or entities necessary to complete the Project in accordance with all applicable laws.

Section 1.02. <u>Issuance of the Certificates</u>. The City agrees to proceed with the sale of the Certificates and to use a portion of the proceeds of the sale of the Certificates to pay for certain costs of the Project.

Section 1.03. Use of Sales Tax Revenues. The Corporation agrees to use the Sales Tax, and any interest earned thereon, to make payments to the City in amounts sufficient to pay the principal of and interest on the portion of the Certificates attributable to the Project when due provided, however, the City and the Corporation agree that the portion of the Certificates attributable to the Project shall not exceed \$3,000,000, plus interest. The City will provide the Corporation with a schedule of the principal and interest payments due on the portion of the Certificates attributable to the Project, if and when such Certificates are issued, and the Corporation agrees to pay to the City amounts sufficient to make its allocable portion of the principal and interest payment at least fifteen (15) days before such payment is due.

Section 1.04. <u>Payment of Maintenance and Operating Costs of the Project</u>. The City shall be solely responsible for the maintenance and operating costs of the Project.

Section 1.05. <u>Ownership of Project Improvements</u>. The improvements constructed in connection with the Project will be owned by the City.

### **ARTICLE II**

#### MISCELLANEOUS PROVISIONS

Section 2.01. <u>Term</u>. This Agreement shall be in force and effect from the date of execution hereof until the date on which the Certificates are paid in full.

Section 2.02. <u>Amendments and Supplements</u>. This Agreement may be amended, supplemented or extended by mutual written agreement of the parties hereto.

Section 2.03. <u>Merger</u>. This Agreement embodies the entire understanding between the parties hereto, and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 2.04. <u>Severability</u>. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

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EXECUTED in multiple counterparts as of the date first written above.

CITY OF MESQUITE, TEXAS

By: d Mayor

ATTEST:

By: City Secretary

APPROVED FOR FORM: By: She She A

City Attorney

MESQUITE QUALITY OF LIFE CORPORATION By:

ATTEST:

By: Secretary

Signature Page for Agreement

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