

RESOLUTION NO. 44-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE SUBSTANTIVE TERMS OF AN AMENDED AND RESTATED OR A SECOND AMENDMENT TO TIRZ NO. 12 REIMBURSEMENT AGREEMENT, REPURCHASE OPTION AGREEMENT, AND CITY CHAPTER 380 INCENTIVE AND PERFORMANCE AGREEMENT WITH IH 20 IP, LLC (“DEVELOPER”), AND THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NO. 12, CITY OF MESQUITE, TEXAS (IH-20 BUSINESS PARK) (“TIRZ”), REGARDING THE DEVELOPER’S CONSTRUCTION OF AN APPROXIMATELY 210.026-ACRE CLASS A INDUSTRIAL PARK IN THE TIRZ LOCATED AT 925 MCKENZIE ROAD, 3400 MCKENZIE ROAD, 2700 MCKENZIE ROAD, 4800 LASATER ROAD, AND 4900 LASATER ROAD, MESQUITE, TEXAS, AND THE ACQUISITION FROM THE CITY AND BY THE DEVELOPER OF APPROXIMATELY 100.264 ACRES OF LAND IN THE TIRZ AND LOCATED AT 925 MCKENZIE ROAD AND 3400 MCKENZIE ROAD, MESQUITE, TEXAS, AND THE GRANTING TO THE DEVELOPER OF CERTAIN TIRZ REIMBURSEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE, FINALIZE AND EXECUTE THE AGREEMENT AS AMENDED AND TAKE SUCH ACTIONS AND EXECUTE SUCH DOCUMENTS AS ARE NECESSARY OR ADVISABLE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT AS AMENDED, AND ADMINISTER THE AGREEMENT AS AMENDED ON BEHALF OF THE CITY.

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes the City of Mesquite, Texas (the “**City**”), and other municipalities to establish and provide for the administration of programs that promote local economic development and stimulate business and commercial activity; and

WHEREAS, on May 15, 2023, by City Resolution No. 21-2023, the City Council approved a TIRZ No. 12 Reimbursement Agreement, Repurchase Option Agreement, and City Chapter 380 Incentive and Performance Agreement (“**Agreement**”) between the City, Board of Directors for Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park) (“**TIRZ Board**”) and IH 20 IP, LLC, a Texas limited liability company (“**Developer**”); and

WHEREAS, on October 16, 2023, by City Resolution No. 54-2023, the City Council approved the First Amendment to the Agreement (“**First Amendment**”); and

WHEREAS, the TIRZ Board approved the Agreement and First Amendment on May 15, 2023 and October 16, 2023, respectively, and the Agreement and First Amendment were duly executed by the parties; and

Eco Dev / Amendment of Reimbursement, Repurchase Option, and 380 Agreement with IH-20 Business Park / October 7, 2024

Page 2 of 4

WHEREAS, the City Council has been presented with the substantive terms of a proposed Amended and Restated Agreement or Second Amendment to the Agreement, which terms are attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, after holding a public hearing and upon full review and consideration of the Agreement, as amended, and the proposed Agreement amendment terms attached hereto as Exhibit A and all matters attendant and related thereto, the City Council is of the opinion that amending the Agreement to include the terms provided in Exhibit A by either an Amended and Restated Agreement or Second Amendment to the Agreement, as determined by the City Manager, is in the best interest of the City and TIRZ, and will benefit the City and its citizens.

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

SECTION 1. The facts, findings, and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct and are incorporated and adopted as part of this resolution for all purposes.

SECTION 2. The City Council finds that amending the Agreement to include the proposed Agreement amendment terms attached hereto as Exhibit A is in the best interest of the City and TIRZ, will benefit the City, TIRZ, and its citizens, and will accomplish the public purpose of promoting local economic development and stimulating business and commercial activity in the City and TIRZ in accordance with Section 380.001 of the Texas Local Government Code.

SECTION 3. The terms proposed in Exhibit A are in the best interest of the City, its citizens and the TIRZ, are hereby approved subject to the terms being incorporated into a new agreement, along with such other terms as deemed necessary by the City Manager to implement the Exhibit A terms and such additional terms the City Manager deems necessary, all to the satisfaction of the City Manager.

SECTION 4. Subject to the conditions of this Resolution, the City Manager is hereby authorized to: (i) negotiate, finalize and execute either an Amended and Restated Agreement or Second Amendment to Agreement, as determined best by the City Manager, with the TIRZ Board and Developer to include the terms proposed in Exhibit A and such other terms as deemed necessary by the City Manager to implement the Exhibit A terms and such additional terms the City Manager deems necessary, all to the satisfaction of the City Manager; and (ii) take such actions and execute such other documents as are necessary or advisable to consummate the transactions contemplated by the Agreement as amended.

SECTION 5. The City Manager is further hereby authorized to administer the Agreement as amended on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices required or permitted by the Agreement as amended; (ii) approve further amendments to the Agreement as amended provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Agreement as amended in excess of \$100,000; (iii) approve or deny any matter in the Agreement as amended that requires the consent of the City provided, however, notwithstanding the foregoing, any assignment of the Agreement as amended that requires the consent of the City pursuant to the terms of the Agreement as amended shall require the approval

Eco Dev / Amendment of Reimbursement, Repurchase Option, and 380 Agreement with IH-20 Business Park / October 7, 2024

Page 3 of 4

of the City Council; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term or condition of the Agreement as amended; (v) exercise any rights and remedies available to the City under the Agreement as amended; and (vi) execute any notices, amendments, approvals, consents, denials and waivers authorized by this Section 5 provided, however, notwithstanding anything contained herein to the contrary, the authority of the City Manager pursuant to this Section 5 shall not include the authority to take any action that cannot be delegated by the City Council or that is within the City Council's legislative functions.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 7th day of October 2024.

DocuSigned by:
Daniel Aleman Jr.
D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

DocuSigned by:
Sonja Land
C2518095973F46A...

Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:

DocuSigned by:
David L. Paschall
666E18891208434...

David L. Paschall
City Attorney

Eco Dev / Amendment of Reimbursement, Repurchase Option, and 380 Agreement with IH-20
Business Park / October 7, 2024
Page 4 of 4

EXHIBIT A

SUMMARY OF PROPOSED DEAL POINTS FOR AGREEMENT BETWEEN THE CITY OF MESQUITE AND IH20 IP, LCC

Land Conveyance

- Convey City-owned tracts consisting of approx. 97 acres within the IH 20 Business Park to IH20 IP, LLC.
- Land conveyed at no cost to the developer. *Developer will be responsible for all closing costs.*
- Land to be conveyed by October 31, 2024.

Commencement of Construction

- Remove all language providing dates or deadlines for start of work on infrastructure, buildings, or expansion.
- Agreement will provide deadlines for completion.

McKenzie Road

- Identify extent of McKenzie Road construction and entities responsible for reconstruction.
- Clarify relocation of existing roadway is only needed if configuration of buildings requires relocation.
- McKenzie will be reconstructed to city specifications for a concrete roadway in either alignment.
- McKenzie Road construction costs will be reimbursed by the TIRZ in either alignment.

Facilities

Phase One

- Developer will be required to build a building of \$45M in value or 450,000 square feet in size and complete McKenzie Road by December 31, 2029.
- Failure to meet **construction** deadline (**Clawback**) will result in conveyance of land back to City or developer may purchase land for \$3 per square foot.

Phase Two

- Developer will be required to construct an additional 1,300,000 square feet of buildings or invest \$130M in buildings by July 31, 2034.
- Failure to meet **expansion/construction** deadline (**Clawback**) will result in conveyance of land back to City or developer may purchase land for \$4 per square foot.

Total Phase One and Phase Two Facilities will be 1,750,000 square feet or \$175M in capital expenditures.

Tax Increment Reinvestment Zone (TIRZ)

- Total TIRZ Reimbursement is capped at \$25M on a pro rata basis and will only reimburse public improvements.
- *City retains ability to take over projects within the TIRZ District and be reimbursed from the TIRZ.*

Tree Mitigation Fee

- Developer will pay a fee of \$100,000 in lieu of replacement for tree mitigation.

Right of Way for McKenzie Realignment

- If McKenzie Road is realigned due to building configuration, the developer will provide right of way for roadway.

Timeline Summary

- October 31, 2024 – Land Conveyance
- December 31, 2029 – Completion of Phase One
- July 31, 2034 – Completion of Phase Two

Except as modified by these terms, the business terms of the original agreement as amended remain applicable.