

NOTICE: ANY SUBJECT APPEARING ON THIS AGENDA, REGARDLESS OF HOW THE MATTER IS STATED, MAY BE ACTED UPON BY THE BOARD OF DIRECTORS OF TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION.

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING

AGENDA
MARCH 3, 2021 - 3:00 P.M.

CITY HALL - COUNCIL ROOM
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE:

Due to the COVID-19 Disaster and the CDC's recommendation regarding social distancing measures the Texas Economical Board of Directors will meet telephonically and electronically, and the public will not be allowed to be physically present at this meeting. Texas Governor Greg Abbott waived on a temporary basis certain sections of the Texas Open Meetings Act. The meeting will be audible to members of the public and allow for two-way communications for those desiring to participate.

Any person interested in speaking on any item on the Agenda must call in the number below and sign in to the conference then wait for the Mayor to request any public comments. Public comments may not apply to all items on the agenda.

To join the telephone audio conference please use the following instructions.

Dial 1 (346) 248 7799 or (888) 475 4499 (Toll Free) or (877) 853 5257 (Toll Free)

Webinar ID: 896 2291 1789

You will automatically be muted when joining the conference. To raise your hand or notify the call manager for attention, please dial *9 on your phone during the call. When appropriate the call manger will unmute your line and the system will notify you that you can now speak. Public comments may not apply to all items on the agenda.

To view the web presentation or listen to audio without participating, please visit <http://edc.texascitytx.gov>

You will then be redirected to the conference and given instructions to enable viewing. We ask that if you will be joining the telephone conference to speak, please mute your computer audio. When using telephone audio with computer audio on, a feedback loop can be created causing disruptive echoing or a loud static. Disruptive audio will cause your line to be muted by the call manager.

After the meeting, a recording of this meeting's audio will be made available to the public.

1. ROLL CALL
2. CONFLICT OF INTEREST DECLARATION
3. PUBLIC COMMENTS
4. NEW BUSINESS
 - a. Consider approval of the December 16, 2020, Meeting Minutes.
 - b. Consider and take action on Resolution No. 21-01, approving the removal of asbestos and the demolition of property located at 1 6th Street North.

- c. Consider and take action on Resolution No. 21-02, approving the removal of asbestos and the demolition of property located at 423 3rd Avenue North.
 - d. Consider and take action on Resolution No. 21-03, approving an Economic Development Agreement with JMK5 for mixed-use commercial facility at Mainland City Centre.
 - e. Consider and take action on Resolution No. 21-04, approving the sale of TCEDC Property located at 2102 6th Avenue North, to Meraki Homes LLC.
 - f. Consider and take action on Resolution No. 21-05, approval of a Sign Agreement with Sweet Mia's Boutique LLC for 1201 6th Street North.
 - g. Consider and take action on Resolution No. 21-06, approving the sale of real property to Rhino Recycling, LLC pursuant to the Real Estate Sales Contracted date February 18, 2021, and further authorizing the Chairman to execute all documents necessary to effectuate the sale.
5. UPDATES
- a. Texas City-La Marque Chamber of Commerce Update
 - b. Texas City ISD Update
 - c. City of Texas City Staff Update
6. ADJOURNMENT

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON FEBRUARY 25, 2021, PRIOR TO 3:30 P.M., AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

Texas City Economic Development Corporation

TCEDC Agenda

4. b.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-01, approving the removal of asbestos and the demolition of property located at 1 6th Street North.

BACKGROUND

- a. The project was started 7/16/2020 as a substandard structure.
- b. Violations for this property included: substandard structure, high grass, junk and debris, unsecured, and unpermitted underground storage tanks.
- c. The Judge has signed a forced order to abate the property.

ANALYSIS

ALTERNATIVES CONSIDERED

- a. The Economic Development Corporation is requested to consider approval of a Resolution authorizing the abatement and demolition of #1 6th Street North.
 - b. The Resolution states that the Texas City Economic Development Corporation is approving an amount for this project not to exceed \$50,000, for the purposes of this project.
-

Attachments

Resolution
Staff Report

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-01

A RESOLUTION APPROVING THE REMOVAL OF ASBESTOS, DEMOLITION AND ABATEMENT OF PROPERTY LOCATED AT #1 6TH STREET NORTH, TEXAS CITY, GALVESTON COUNTY, TEXAS; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation (“TCEDC”), duly held on February 16, 2021, a general discussion was held concerning the demolition, abatement, and asbestos removal of property located at #1 6th Street North, Texas City, Galveston County, Texas; and

WHEREAS, it is proposed that the Texas City Economic Development Corporation approves an amount not to exceed \$50,000.00 to demolish the property located at #1 6th Street North, Texas City, Galveston County, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Economic Development Corporation approves the demolition of property located at #1 6th Street North, Texas City, Galveston County, Texas for an amount not to exceed \$50,000.00.

SECTION 2: The Chairperson or Vice Chairperson is hereby authorized to execute any documents necessary for the demolition of the described property.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY

Texas City Economic Development Corporation



Staff Report

February 16, 2021

Texas City Economic Development Corporation

Subject: Consideration of a Resolution, Approving the Removal of Asbestos and Demolition of #1 6th Street North.

I. **Background**

- a. The project was started 7/16/2020 as a substandard structure.
- b. Violations for this property included: substandard structure, high grass, junk and debris, unsecured, and unpermitted underground storage tanks.
- c. The Judge has signed a forced order to abate the property.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a Resolution authorizing the abatement and demolition of #1 6th Street North.
- b. The Resolution states that the Texas City Economic Development Corporation is approving an amount for this project not to exceed \$50,000, for the purposes of this project.

III. **Recommendation**

- a. Approve the Resolution for the Removal of Asbestos and Demolition of #1 6th Street North.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Funding Source: TCEDC
- c. Cost: Not to exceed \$50,000

V. **Economic Impact**

- a. Enhances property values, safety, and aesthetics on a significant community corridor along 6th Street.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

TCEDC Agenda

4. c.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-02, approving the removal of asbestos and the demolition of property located at 423 3rd Avenue North.

BACKGROUND

- a. The project was started 11/11/2020 as a substandard structure.
- b. Violations for this property included: a fatality occurred on the property due to a fire, improper electrical, improper plumbing, no source of heat, rotten wood throughout structure, mold, no smoke detectors, junk and debris around the property.
- c. An agreed order has been signed for the abatement and demolition of this property.

ANALYSIS

- a. The Economic Development Corporation is requested to consider approval of a Resolution authorizing the abatement and demolition of 423 3rd Avenue North.
- b. The Resolution states that the Texas City Economic Development Corporation is approving an amount for this project not to exceed \$75,000, for the purposes of this project.

ALTERNATIVES CONSIDERED

Attachments

Resolution
Staff Report

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-02

A RESOLUTION APPROVING THE REMOVAL OF ASBESTOS, DEMOLITION AND ABATEMENT OF PROPERTY LOCATED AT 423 3RD AVENUE NORTH, TEXAS CITY, GALVESTON COUNTY, TEXAS; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation (“TCEDC”), duly held on February 16, 2021, a general discussion was held concerning the demolition, abatement, and asbestos removal of property located at 423 3rd Avenue North, Texas City, Galveston County, Texas; and

WHEREAS, it is proposed that the Texas City Economic Development Corporation approves an amount not to exceed \$75,000.00 to demolish the property located at 423 3rd Avenue North, Texas City, Galveston County, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Economic Development Corporation approves the demolition of property located at 423 3rd Avenue North, Texas City, Galveston County, Texas for an amount not to exceed \$75,000.00.

SECTION 2: The Chairperson or Vice Chairperson is hereby authorized to execute any documents necessary for the demolition of the described property.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY

Texas City Economic Development Corporation



Staff Report

February 16, 2021

Texas City Economic Development Corporation

Subject: Consideration of a Resolution, Approving the Removal of Asbestos and Demolition of 423 3rd Avenue North.

I. **Background**

- a. The project was started 11/11/2020 as a substandard structure.
- b. Violations for this property included: a fatality occurred on the property due to a fire, improper electrical, improper plumbing, no source of heat, rotten wood throughout structure, mold, no smoke detectors, junk and debris around the property.
- c. An agreed order has been signed for the abatement and demolition of this property.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a Resolution authorizing the abatement and demolition of 423 3rd Avenue North.
- b. The Resolution states that the Texas City Economic Development Corporation is approving an amount for this project not to exceed \$75,000, for the purposes of this project.

III. **Recommendation**

- a. Approve the Resolution for the Removal of Asbestos and Demolition of 423 3rd Avenue North.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Funding Source: TCEDC
- c. Cost: Not to exceed \$75,000

V. **Economic Impact**

- a. Enhances property values, safety, and aesthetics in the core of Texas City, and across from the Sanders Community Center.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

TCEDC Agenda

4. d.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-03, approving an Economic Development Agreement with JMK5.

BACKGROUND

- a. In 2015, JMK5 purchased the former Mall of the Mainland, originally opening World Gym in the former Macy's space. Since 2015 the former mall has been undergoing redevelopment.
- b. In October 2020, JMK5 purchased the former Sears, and with this came the announcement of further redevelopment, and the addition of new restaurants, entertainment facilities, and the relocation and expansion of the World Gym.
- c. Jerome Karam has held discussions with city staff in regards to the redevelopment of the property, and the new tenants that will be arriving at Mainland City Centre.

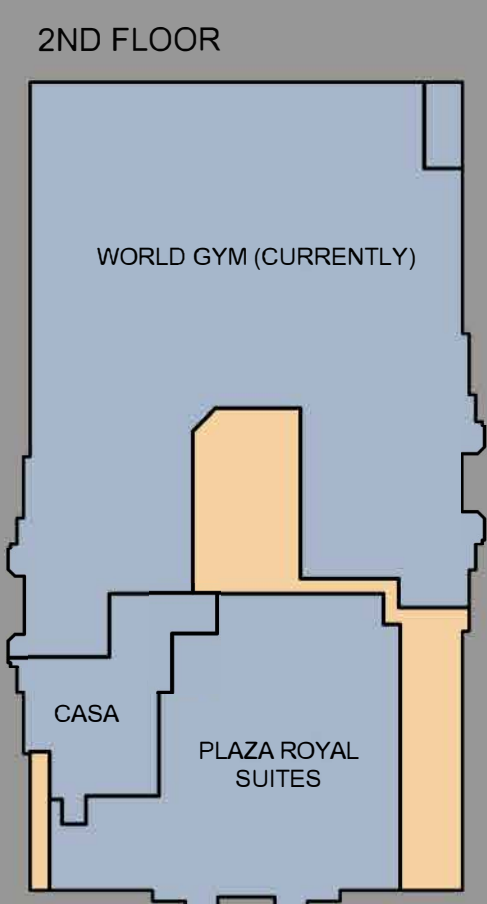
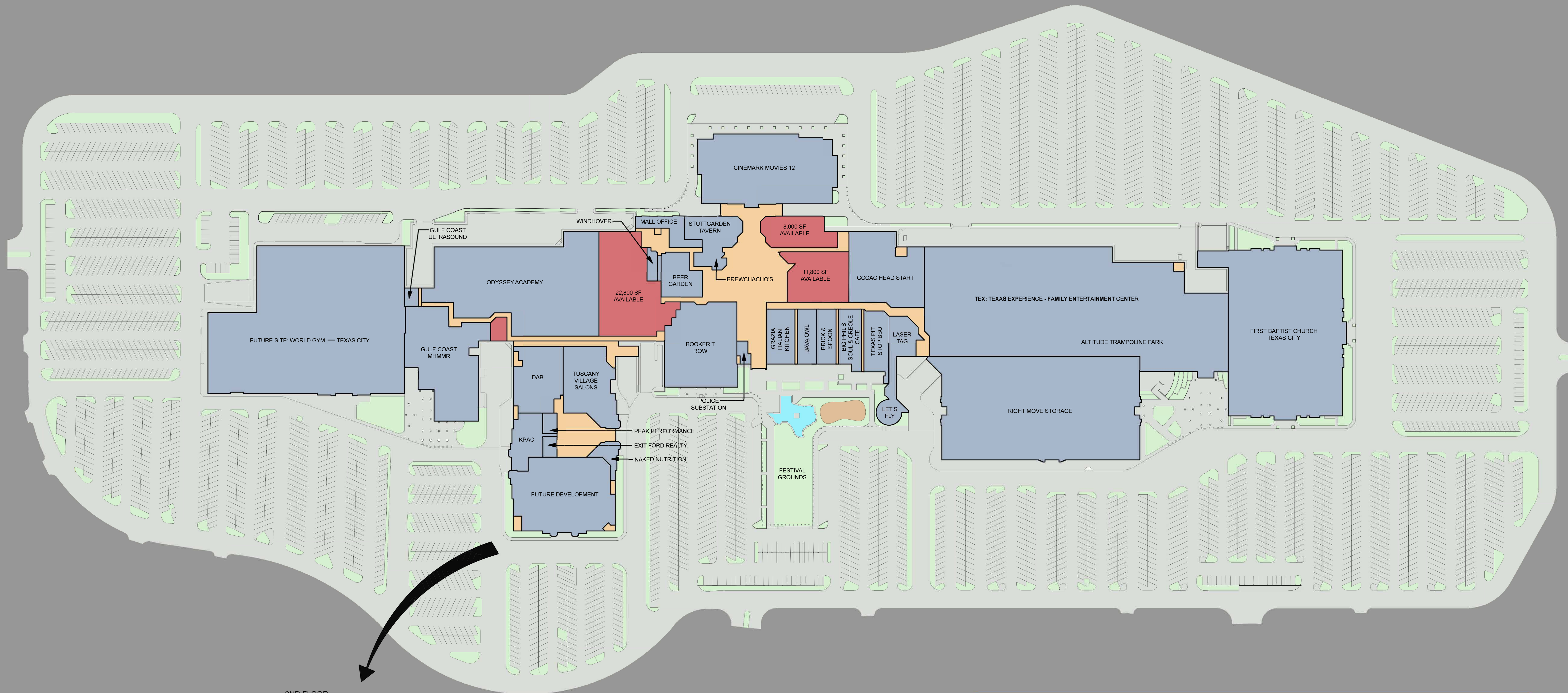
ANALYSIS

- a. The Economic Development Corporation is requested to consider approval of an Economic Development Agreement with JMK5 for the Mainland City Centre at 10000 Emmett F. Lowry Expressway.
- b. This agreement authorizes the TCEDC to provide an economic development grant in the form of a sales tax reimbursement.
- c. This agreement is in line with past agreements entered into with Brixmor, Edifis, HEB, and Buc-ees's.
- d. The agreement states that a maximum refund amount is set at \$1,500,000 and 10 years. The agreement will be complete whichever comes first.

ALTERNATIVES CONSIDERED

Attachments

master plan
rendering
Resolution
Staff Report
Agreement



M MAINLAND
CITY CENTRE
A NARANI DEVELOPMENT



TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-03

A RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT WITH JMK5 FOR MIXED-USE COMMERCIAL FACILITY AT MAINLAND CITY CENTRE; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation (“TCEDC”), duly held on February 16, 2021, a general discussion was held concerning an Economic Development Agreement with JMK5 for mixed-use commercial facility at mainland City Centre; and

WHEREAS, the Texas City Economic Development Corporation (TCEDC) can provide funds to assist various facilities if they are tied to workforce; and

WHEREAS, the agreement will authorize the TCEDC to provide an economic development grant in the form of a sales tax reimbursement; and

WHEREAS, it is proposed that the agreement sets a maximum refund amount of \$1,500,000.00 and ten (10) years, or whichever comes first.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Economic Development Corporation hereby approves an Economic Development Agreement with JMK5 for mixed-use commercial facility at Mainland City Centre.

SECTION 2: The Chairperson, Vice Chairperson or Mayor, is hereby authorized to execute any documents necessary for the above mentioned agreement.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY
Texas City Economic Development Corporation



Staff Report

February 16, 2021

Texas City Economic Development Corporation

Subject: Consideration of an Economic Development Agreement with JMK5 for Mainland City Centre located at 10000 Emmett. F. Lowry Expressway.

I. **Background**

- a. In 2015, JMK5 purchased the former Mall of the Mainland, originally opening World Gym in the former Macy's space. Since 2015 the former mall has been undergoing redevelopment.
- b. In October 2020, JMK5 purchased the former Sears, and with this came the announcement of further redevelopment, and the addition of new restaurants, entertainment facilities, and the relocation and expansion of the World Gym.
- c. Jerome Karam has held discussions with city staff in regards to the redevelopment of the property, and the new tenants that will be arriving at Mainland City Centre.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of an Economic Development Agreement with JMK5 for the Mainland City Centre at 10000 Emmett F. Lowry Expressway.
- b. This agreement authorizes the TCEDC to provide an economic development grant in the form of a sales tax reimbursement.
- c. This agreement is in line with past agreements entered into with Brixmor, Edifis, HEB, and Buc-ees's.
- d. The agreement states that a maximum refund amount is set at \$1,500,000 and 10 years. The agreement will be complete whichever comes first.

III. **Recommendation**

- a. Approve the Economic Development Agreement between the Texas City Economic Development Corporation and JMK5.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Funding Source: TCEDC
- c. Maximum Rebate Amount: \$1,500,000

V. **Economic Impact**

- a. Enhances property values, safety, and aesthetics on a significant community corridor along 6th Street.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (the “Agreement”) is entered into by and between JMK5 Sears, LLC, a Texas limited liability company, JMK5 Mall of the Mainland, LLC, a Texas limited liability company, JMK5 Racing LLC, a Texas limited liability company, JMK5 Movies LLC, a Texas limited liability company (collectively “JMK5”) and the Texas City Economic Development Corporation, a Texas economic development corporation established pursuant to the Texas Local Government Code, § 504 (“EDC”). JMK5 and the EDC are sometimes referred to herein jointly as the “Parties” and each individually as a “Party.”

RECITALS

WHEREAS, the EDC is authorized under Chapters 380 and 504 of the Texas Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects; and

WHEREAS, the EDC Board of Directors and the City of Texas City, Texas (“City”) City Commission has authorized certain economic development grants to JMK5 in recognition of the positive economic and community benefits that will accrue to the EDC through JMK5’s development of the Property (herein defined) for a mixed-used commercial and retail development; and

WHEREAS, the EDC believes that the redevelopment of the Property will contribute to the economic development of the City by increasing ad valorem taxes, increasing sales tax and increasing employment; and

WHEREAS, this Agreement is determined to be a program for providing an economic development incentive as contemplated by Chapters 380 and 504 of the Texas Local Government Code;

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the EDC and JMK5 agree as follows:

ARTICLE I. Authority

1.1 The EDC’s execution of this Agreement is authorized by Chapters 380 and 504 of the Texas Local Government Code and constitutes a valid and binding obligation of the EDC subject to the condition precedent that JMK5 completes the Property Name (defined below), as specified herein.

1.2 JMK5’s execution and performance of this Agreement constitutes a valid and binding obligation of JMK subject to the terms, provisions and conditions herein.

1.3 The EDC acknowledges that JMK5 is acting in reliance upon the EDC's performance of their respective obligations under this Agreement in making its decision to commit substantial resources and money to develop the Property. Notwithstanding anything to the contrary herein, the EDC and JMK5 hereby acknowledge and agree that this Agreement is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code, as amended. The EDC agrees that its immunity from suit is waived for the purpose of adjudicating a claim for breach of this Agreement, which is subject to the terms and conditions of Subchapter I of Chapter 271, Texas Local Government Code, as amended.

ARTICLE 2. Definitions

As used in this Agreement, the following words or phrases shall have the following meanings:

“Act of Default” or **“Default”** means failure by a Party to comply with the requirements of this Agreement, as more particularly provided in Article 8 and Article 9.

“Affiliate” means (1) any entity 50% or more owned or controlled by JMK5, or any of its principal shareholders or any trust created for their benefit, (2) any entity taking over JMK5 interest in this Agreement as a result of merger or consolidation, (3) any entity acquiring all or substantially all of the assets of JMK5, or (4) any entity which has acquired a majority of the outstanding stock of JMK5.

“Certificate of Occupancy” means the document or other notice issued by the EDC indicating a building or premises has been built or maintained in accordance with all applicable codes, regulations, and ordinances enforced by the EDC.

“Commencement Deadline” shall have the same meaning as the “Effective Date” as defined herein.

“Completion Deadline” means (completion date).

“JMK5” means JMK5 Sears, LLC, a Texas limited liability, JMK5 Racing LLC, a Texas limited liability company, JMK5 Movies LLC, a Texas limited liability company and JMK5 Mall of the Mainland, LLC, a Texas limited liability.

“EDC” means the Texas City Economic Development Corporation.

“Effective Date” means the date this Agreement has been signed by all Parties.

“Event of Bankruptcy or Insolvency” means the insolvency of a party, appointment of receiver for any part of a party's property when such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any

bankruptcy or insolvency laws by or against a party when such proceeding is not dismissed within ninety (90) days after the filing thereof.

“**Force Majeure**” is defined in Section 11.5 herein.

“**Maximum Refund Amount**” means ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000.00).

“**Notice**” shall have the meaning ascribed to it in Section 11.8 of this Agreement.

“**Ordinances**” means the City of Texas City, Texas’ Ordinances, whether codified or otherwise, in effect on the Effective Date.

“**Property**” shall mean the property presently owned by JMK5 or its affiliates and located generally location in Texas City, as depicted in “**Exhibit A.**”

“**Property Sales Taxes**” means, for any given calendar year under this Agreement, an amount of money collected by the City resulting from the imposition of a two-percent municipal sales tax (2.0%) (such as that presently in effect pursuant to Section 321.101(a), Texas Tax Code) on the sales of goods within the Property.

“**Rebate Commencement Date**” means JMK5 _____.

“**Retail Center**” means the approximately _____ square foot retail center located on the Property.

ARTICLE 3. Term

This Agreement will become enforceable upon the Effective Date and will terminate upon the earlier to occur of: (a) the 10th anniversary of the Rebate Commencement Date (and final payment of Sales Tax Rebate Payments pursuant to this Agreement); (b) EDC’s payment of the Maximum Refund Amount to JMK5 prior to the 10th anniversary of the Rebate Commencement Date; or (3) earlier termination as provided herein (the “**Term**”).

ARTICLE 4. JMK5 Performance Conditions

Notwithstanding any provision in this Agreement to the contrary, this Agreement imposes no obligation upon JMK5 to redevelop the Property, construct any infrastructure or any other improvements on the Property. The following are, however, conditions that must be satisfied in order for JMK5 to receive the Sales Tax Rebate Payments (defined below):

4.1 JMK5 shall redevelop the Property, operate a mixed use facility located at

10000 Emmett. F. Lowry Expressway, Texas City, Texas 77591.

4.2 JMK5 shall remain current and paid on all property taxes for portions of the Property owned by JMK5 or its affiliates, subject to rights of appeal in accordance with law and subject to a right to cure any tax payment delinquency.

4.3 JMK5 and its affiliates shall collect and maintain all relevant records of Mainland City Centre, its successors, assigns, and tenants, related to each of the economic development considerations and incentives and performance requirements, as stated in this Agreement. JMK5, during normal business hours, shall allow the City reasonable access to review these records, but the confidentiality of such records and information shall be maintained by the City unless disclosure of such records and information shall be required by a court order, a lawfully possessed subpoena, or at the direction of the Office of the Attorney General.

4.4 During the Term of this Agreement, JMK5 agrees to provide space within Mainland City Centre for the placement of an electronic kiosk or other stand near the front of the entrance for the purpose of providing information to visitors and citizens pertaining to local attractions and businesses within Texas City, should the City elect to install a Kiosk. JMK5 agrees to provide free and proximate internet connection and electricity for the Kiosk, should such service be required for the operation of the Kiosk. Should the City elect to install a Kiosk within Mainland City Centre, the Parties agree to negotiate and enter into a license agreement (the "Kiosk License") within 60 days following Notice of such election by the City. The design, placement, operation, maintenance and promotions of the Kiosk will be governed by the Kiosk License.

ARTICLE 5. EDC Performance Requirements

5.1 Sales Tax Refund. During the Term after the Rebate Commencement Date, the EDC shall pay on a semi-annual basis on or about September 1st and March 1st of each calendar year to JMK5 the Property Sales Taxes generated during the prior calendar year (each a "Sales Tax Rebate Payment").

5.1.1 Revenue Sharing Agreement. The EDC hereby designates this Agreement as a "Revenue Sharing Agreement" as that term is used in Texas Tax Code Section 321.3022 (the "Disclosure Statute"). EDC shall notify the Texas Comptroller of Public Accounts (the "Comptroller") of such designation as necessary in order to determine the Property Sales Taxes generated within the Property and due to JMK5 under this Agreement.

5.1.2 EDC Payment. The EDC agrees that it will rebate, on a semi-annual basis, and after receiving the Report, confirmation from the State and any State audit adjustments, one cent (\$.01) of the Property Sales Tax received by EDC for sales occurring within the Property in excess of [INSERT]for the

duration of the Term of this Agreement (the "Rebate").

5.1.3 Disclosure of Financial Report. JMK5 agrees that it will provide the EDC, on a monthly basis, a copy of any financial report that JMK5 or its tenants will submit to the Comptroller of the State of Texas (the "Comptroller") relating to JMK5 or its tenant's remission of sales taxes collected in the City for sales attributed to the Property as described in Section 1 above (the "Report"). Additionally, JMK5 hereby consents to the State of Texas releasing these monthly reported figures along with any State audit adjustments to the EDC, and the EDC hereby consents to keep this information "Confidential" in accordance with the Texas Tax Code, including, without limitation, Section 151.027 and to the extent allowed by law.

5.1.4 Disclosure of Sales Taxes. If there are fewer than three sales tax accounts located within the Property, the Comptroller may not disclose information regarding Property Sales Taxes without permission of those persons doing business within the Property. JMK5 hereby agrees that if EDC is unable to determine the Property Sales Taxes under the Disclosure Statute, JMK5 shall obtain and provide a release that will allow the Comptroller to disclose to the EDC and JMK5 aggregated sales tax information relating to any business generating sales and use taxes within the Property (an example release form is attached hereto as "Exhibit B"). JMK5 will provide a list of businesses operating on the property as they are identified by the Comptroller's office for identification.

5.2 Future Adjustments to Rebates. Should an excess Sales Tax Rebate Payment occur in the final tax year of this Agreement, JMK5 agrees to repay the EDC for any excess amount received within thirty (30) days following receipt of Notice from EDC providing documentation of said over payment.

5.3 Maximum Refund Amount. In no event shall the cumulative total payments of Sales Tax Rebate Payments to JMK5 exceed the Maximum Refund Amount ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000.00).

ARTICLE 6.

JMK5's Covenants, Warranties, Obligations and Duties

JMK5 makes the following covenants and representations to the EDC and agrees to timely and fully perform the following obligations and duties, subject to the terms, provisions and conditions hereof. Any false statement contained herein or failure to timely and fully perform as required in this Agreement shall be an Act of Default by JMK5, subject to the cure periods set forth in Article 8 below. Failure to comply with any one covenant or representation shall constitute an Act of Default by JMK5, subject to the cure

periods set forth in Article 8 below.

6.1 JMK5 is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement.

6.2 The execution of this Agreement has been duly authorized by JMK5, the individual signing this Agreement is empowered to execute such Agreement and bind the company, and said authorization, signing and binding effect is not in contravention of the provisions of JMK5's partnership documents.

6.3 To the knowledge of JMK5, no litigation or governmental proceeding is pending or threatened against or affecting the Property.

6.4 There are no actions, suits or proceedings pending or, to JMK5's knowledge, threatened against JMK5 affecting any portion of the Property, at law or in equity, or before or by any federal, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign.

6.5 Employment of Undocumented Workers. During the term of this Agreement, JMK5 agrees not to knowingly employ any undocumented workers at the Property and if convicted of a violation under 8 U.S.C. Section 1324a(f), JMK5 shall repay the amount of the reimbursements received by JMK5 as of the date of such violation within 120 business days after the date JMK5 is notified by the EDC of such violation, plus interest at the rate of five percent (5.0%) per annum, from the date of such notice until paid. JMK5 agrees to notify EDC within thirty (30) days of any charge filed against JMK5 alleging the employment of undocumented workers under 8 U.S.C. Section 1324a(f).

ARTICLE 7. Reporting and Monitoring

7.1 During the Term of this Agreement, JMK5 shall collect and maintain all records necessary for verifying compliance with the terms and conditions of this Agreement (the "Records"). JMK5, during normal business hours with ten (10) business days' prior notice, shall allow the EDC reasonable access to review the Records, but the confidentiality of such Records shall be maintained by the EDC unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General.

ARTICLE 8. JMK5 Default and Recapture

8.1 If ad valorem taxes for the portion of the Property on which the JMK5 Center is located become past due and delinquent, or the occurrence of any of the following events occur, or should JMK5 fail to substantially comply with any of the material requirements, obligations, duties, terms, conditions or warranties of this Agreement, such

failure shall be considered an “**Act of Default by JMK5**” and, if not cured within ninety (90) days after written notice from EDC to JMK5, EDC, as its sole remedy, may terminate this Agreement and shall have the right to recapture the Rebate for the entire calendar year in which the termination occurred, to wit:

- 8.1.1** The appointment of a receiver of JMK5, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter;
 - 8.1.2** The adjudication of JMK5 as a bankrupt; or
 - 8.1.3** The filing by JMK5 of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition files against it in any bankruptcy or reorganization proceeding.
- 8.2** Notwithstanding anything contained herein to the contrary, JMK5 shall not be liable to EDC for any consequential, punitive or exemplary damages.

8.3 Notwithstanding the above, if an Act of Default by JMK5 is such a matter that cannot be cured by reasonably diligent efforts within ninety (90) days, then such occurrence shall not be an Act of Default by JMK5 provided that JMK5 promptly initiates and diligently attempts to cure the same, even if the same is not cured within said ninety (90) day period.

8.4 Any waiver granted by EDC to JMK5 of an Act of Default by JMK5 shall not be deemed to be or constitute a waiver of any other existing or future Act of Default by JMK5 or of a subsequent Act of Default of the same act or event by JMK5.

8.5 If during the Term of this Agreement, JMK5 should discontinue substantially all of its business operations described in Article 4 hereinabove (other than as a result of fire or an act of nature) or closes, vacates or abandons more than thirty-three (33) percent (33%) of the Property, then the EDC shall have the right to recapture the Rebate for the entire calendar year in which such discontinuance occurs and terminate this Agreement; and, in the event of termination pursuant this Section 8.1, a bill for the total amount due, being the Rebate paid to JMK5 during the calendar year in which such discontinuance occurs, will be sent to JMK5 and if JMK5 agrees to pay the total amount due within ninety (90) days after receipt of the bill. Statutory penalty and interest will accrue if JMK5 fails to timely pay said bill as provided herein.

ARTICLE 9. Assignment

Under no circumstances may JMK5 assign this Agreement without the express written consent of the EDC. Notwithstanding anything to the contrary herein, JMK5 may assign all or part of its rights and obligations hereunder without the prior written consent of the EDC (i) to an affiliate, (ii) third-party lender advancing funds for the acquisition,

construction or operation of the Retail Center, and/or (iii) to a third-party purchaser of the Property.

ARTICLE 10.

Miscellaneous Provisions

10.1 Complete Agreement/Amendment. This Agreement represents a complete agreement of the Parties and supersedes all prior written and oral matters related to this Agreement. This Agreement may be canceled, changed, modified or amended, in whole or in part, only by the written agreement by the Parties.

10.2 Permitting. The EDC agrees to cooperate with JMK5 to facilitate the expeditious processing of permits, plat approvals, development application(s) and building permit applications required for the JMK5 and other development on the Property.

10.3 Representations and Warranties. The Parties represent and warrant to one another that this Agreement is within their authority, and that they are duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction.

10.4 Force Majeure. All obligations of JMK5 and EDC (excluding monetary obligations) shall be subject to events of “force majeure” which shall mean any contingency or cause beyond the reasonable control of a party, as applicable, including, without limitations, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action or inaction (unless caused by negligence or omissions of such party), fires, explosions, floods, strikes, slowdowns or work stoppages, shortage of materials and labor.

10.5 Binding Effect. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

10.6 Termination. If JMK5 elects not to proceed with the development of the JMK5 Store as contemplated by this Agreement, JMK5 may notify the EDC in writing, and this Agreement and the obligations of each party will be deemed terminated and of no further force or effect as of the date of such notice, except those that expressly survive the termination hereof, if any.

10.7 Notice. Any notice or other communication (“**Notice**”) given under this Agreement must be in writing, and may be given: (i) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested; (ii) by personal delivery of the Notice to the Party, or an agent of the Party; or (iii) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (i) or (ii). Notice deposited in the mail in the manner specified will be effective two (2) business days after deposit. Notice given in any other manner will be effective only if and when received by the Party to be notified. For the purposes of Notice, the addresses of the Parties will, until changed as provided below, be

as follows:

JMK5: JMK5
308 W. Parkwood, Suite 104A
Friendswood, TX 77546
Attn: Jarome Karam

With a copy to:

EDC: Texas City Economic Development Corporation
1801 9th Avenue
Texas City, TX 77592
Attn: Economic Development Director

With a copy to: City Attorney
1801 9th Avenue
Texas City, TX 77592

Each Party may designate a different address at any time by giving Notice to the other Party.

10.8 Interpretation. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against either Party based on draftsmanship.

10.9 Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the Parties. Neither the EDC, nor any of its respective past, present or future officers, elected officials, employees or agents assumes any responsibility or liability to any third party in connection with the development of the Property or the design, construction or operation of any portion of the Property.

10.10 Applicable Law. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas and venue will lie in Galveston County, Texas. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of itself, its officers, employees, agents or representatives as a result of the approval or execution of this Agreement, except as otherwise expressly set forth herein.

10.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, it is the intention of the Parties that the remainder of this Agreement not be affected and it is also the intention of the Parties that, in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

10.12 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

10.13 No Third Party Beneficiaries. This Agreement is not intended to nor shall it be interpreted to confer any rights, privileges or causes of action upon any third party.

10.14 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed to be an original signature for all purposes.

10.15 Legal Action. In the event that a Party initiates a cause of action in court, the prevailing party or parties shall be entitled to reasonable and necessary attorney's fees and costs of court.

10.16 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes.

- Exhibit "A": Legal Description of Real Property
- Exhibit "B": Form – Disclosure Agreement

EXECUTED to be effective as of the ____ day of _____, 2021.

JMK5 MALL OF THE MAINLAND, LLC

Jerome Karam
Managing Member

Date

JMK5 SEARS, LLC

Jerome Karam
Managing Member

Date

JMK5 RACING, LLC

Jerome Karam
Managing Member

Date

JMK5 MOVIES, LLC

Jerome Karam
Managing Member

Date

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

Mark Ciavaglia
Chairman

Date

Exhibit A

Legal Description of Real Property

Exhibit B

EXAMPLE AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

This agreement is entered into between the Texas City Economic Development Corporation (hereafter the "EDC") and _____[business name] (hereinafter the "taxpayer") for the purposes indicated herein.

I, _____, _____[title], the duly authorized agent of _____[business name], doing business at _____[Name and Address of Facility] do hereby stipulate and agree as follows:

I hereby authorize the Texas Comptroller's Office to release and disclose only that information regarding the amount of municipal sales and use tax accruing from the operation of the above referenced taxpayer's business location to the EDC. I understand and agree that this release will be made by the Comptroller's Office to the EDC on an ongoing monthly basis beginning on the date this Agreement is executed.

This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Tax Code, or other state law.

The EDC agrees that it will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of calculating payments to be made pursuant to a Ch. 380 Economic Development Agreement between the EDC and JMK5 Sears, LLC, a Texas limited liability JMK5 and JMK5 Mall of the Mainland, LLC dated _____, 2021. The confidentiality of such records and information shall be maintained by EDC unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General.

This Agreement is entered into in or with regard to property located in Texas EDC, Galveston County, Texas and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this the _____ day of _____, 2021.

Texas City Economic Development Corporation

[BUSINESS NAME]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TCEDC Agenda

4. e.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-04, approving the sale of TCEDC Property located at 2102 6th Avenue North, to Meraki Homes LLC.

BACKGROUND

- a. Meraki Homes LLC is a single family residential builder, which has been executing redevelopment specifically in the Chelsea neighborhood.
- b. In November 2020, Meraki Homes staff reached out to city staff inquiring about TCEDC owned lots.
- c. After careful deliberation, it was determined that 2102 6th Avenue North was an optimal lot for Meraki's next project.

ANALYSIS

- a. The Economic Development Corporation is requested to consider approval of a sale of TCEDC owned property to Meraki Homes LLC. This will be executed through a Special Warranty Deed.
- b. This further states that Meraki Homes LLC will provide full payment of \$37,352 for the property.

ALTERNATIVES CONSIDERED

Attachments

Resolution
Staff Report
Deed

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-06

A RESOLUTION APPROVING THE SALE TEXAS CITY ECONOMIC DEVELOPMENT PROPERTY LOCATED AT 2102 6 TH AVENUE NORTH to MERAKI HOMES LLC; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation, duly held on March 3, 2021, a general discussion was held concerning the sale of Texas City Economic Development Corporation property located at 2102 6th Avenue North; and

WHEREAS, the sale of this property to Meraki Homes will enhance property values and provide necessary infill development along 21st Street; and

WHEREAS, City staff recommends that the TCEDC sale of this property through a Special Warranty Deed for a full payment of \$37,352.00.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Economic Development Corporation hereby approves the sale of Property in **Exhibit “A”** attached hereto and incorporated herein.

SECTION 2: The Chairperson or Vice Chairperson is hereby authorized to execute any documents necessary for the sale of said property from the Texas City Economic Development Corporation.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY
Texas City Economic Development Corporation



Staff Report

February 16, 2021

Texas City Economic Development Corporation

Subject: Consideration of the Approval the Sale of TCEDC Owned Property at 2102 6th Avenue North to Meraki Homes LLC.

I. **Background**

- a. Meraki Homes LLC is a single family residential builder, which has been executing redevelopment specifically in the Chelsea neighborhood.
- b. In November 2020, Meraki Homes staff reached out to city staff inquiring about TCEDC owned lots.
- c. After careful deliberation, it was determined that 2102 6th Avenue North was an optimal lot for Meraki's next project.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a sale of TCEDC owned property to Meraki Homes LLC. This will be executed through a Special Warranty Deed.
- b. This further states that Meraki Homes LLC will provide full payment of \$37,352 for the property.

III. **Recommendation**

- a. Approve the Sale of TCEDC Owned Property at 2102 6th Avenue North to Meraki Homes LLC.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Sale of Property: \$37,352

V. **Economic Impact**

- a. Enhances property values, provides necessary infill development along 21st Street.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

TCEDC Agenda

4. f.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-05, approval of a Sign Agreement with Sweet Mia's Boutique LLC for 1201 6th Street North.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Attachments

Agreement
Staff Report
quote
Resolution
proof

**BUSINESS OWNER SIGN AGREEMENT WITH TEXAS CITY ECONOMIC
DEVELOPMENT CORPORATION**

This AGREEMENT is entered into this 6th day of March 2021, between the Texas City Economic Development Corporation, (“TCEDC”) and Sweet Mia’s Boutique, LLC (“Owner”) located at 1201 6th St. N, Texas City, Texas, 77590.

**ARTICLE I
PURPOSE OF AGREEMENT**

The purpose of this Agreement is to provide for consistent, attractive, and maintained signage for businesses within the 6th Street area of the City of Texas City.

**ARTICLE II
RIGHTS AND OBLIGATIONS OF THE TEDC**

1. TEDC shall pay TnT Signs and Graphics Inc. for two approved signs, as set out in Exhibit “A”, attached hereto and made a part hereof.
2. TEDC shall arrange with TnT Signs and Graphics Inc. to meet and finalize signage in line with guidelines for the 6th Street area businesses.

**ARTICLE III
RIGHTS AND OBLIGATIONS OF OWNER**

Owner covenants and agrees as follows:

1. Maintain the business located at 1201 6th St. N, Texas City, Galveston County, Texas (“the Property”), for a minimum five-year period.
2. Enter into a separate agreement with TnT Signs and Graphics Inc. for construction and placement of sign(s).
3. The sign will be placed on east wall of the property facing 6th Street.
4. Maintain attractive appearance on the exterior of the Property for a minimum five-year period.
5. Keep and maintain the sign(s) on the Property, secured and in good repair, for a minimum five-year period, except in cases of acts of God.
6. Use only the approved signs, provided by TnT Signs and Graphics Inc., on the exterior facia.
7. Comply with all City Ordinances.

ARTICLE IV
COORDINATION

The TCEDC and the owner/lessee will coordinate with TnT Signs and Graphics Inc. for completion of the signage.

ARTICLE V
NO WAIVER OF IMMUNITY

It is expressly understood and agreed that under this Agreement the TCEDC neither waives, nor shall be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

ARTICLE VI
VENUE

Each party to this Agreement agrees that in any legal action brought hereunder, venue shall lie in Galveston County, Texas. The validity of this Agreement and of its terms and provision, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas.

ARTICLE VII
SEVERABILITY

In case any one or more of the provisions contained in the Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such fact shall not affect any other provision thereof and this Agreement shall be construed as if the stricken provision had never been contained herein.

ARTICLE VIII
MODIFICATION

This Agreement may be amended or modified by the mutual agreement of both parties hereto in writing, such writing to be attached hereto and incorporated unto this Agreement.

ARTICLE IX
ENTIRE AGREEMENT

This Agreement contains all commitments and obligations of the parties and represents the entire agreement of said parties. Verbal or written conditions not contained herein shall not have any force or effect to alter any term of this Agreement.

ARTICLE X
TERMINATION/FORCE MAJEURE

This Agreement may be terminated at any time before its expiration with mutual consent of both parties. Neither party shall be responsible for damages or expected to fulfill its obligations under this Agreement should an act of God or other unforeseen catastrophe occur and cause such damage or prevent the performance of such obligation.

ARTICLE XI
EXECUTION

This Agreement shall be executed by the duly authorized Owner and TCEDC.

Paragraph Headings

The captions, numbering sequences, titles, paragraph headings, punctuation, and organization used in this Agreement are for convenience only and shall in no way define, limit, or describe the scope or intent of this Agreement or any part of it.

Understanding, Fair Construction

By execution of this Agreement, the parties acknowledge that they have read and understand each provision, term, and obligation contained in this Agreement. This Agreement, although drawn by one party, shall be construed fairly and reasonably and not more strictly against the drafting party than the non-drafting party.

ARTICLE XII
NOTICES

Any notices due under the provisions of this Agreement shall be made in writing and shall be addressed to the following:

City:

TEDC Manager
City of Texas City
1801 - 9th Avenue North
Texas City, Texas 77590
(409) 643-5916 Phone
(409) 653-5952 - Facsimile

Business:

Sweet Mia's Boutique, LLC
1201 - 6th Street North
Texas City, Texas 77590

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement on the date first above written.

THE TEXAS CITY ECONOMIC
DEVELOPMENT CORPORATION:

By: _____

Mark Ciavaglia
Chairman, TCEDC

Sweet Mia's Boutique, LLC:

By: _____

Rosa Rios, Member Manager
Sweet Mia's Boutique LLC



Staff Report

December 16, 2020

Texas City Economic Development Corporation

Subject: Consideration of a Business Owner Sign Agreement between the Texas City Economic Development Corporation, and Sweet Mia's Boutique LLC at 1201 6th Street North.

I. **Background**

- a. Rosa Rios the owner of Sweet Mia's Boutique has brought a boutique shopping venue to 6th Street, located at 1201 6th Street.
- b. Rosa Rios had previously held discussions with city staff, to discuss the need for new signage for the boutique.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a Business Owner Sign Agreement for Sweet Mia's Boutique located at 1201 6th Street.
- b. The agreement states that the Texas City Economic Development Corporation agrees to:
 - i. Pay TNT for one approved sign that are in line with the Signage Guidelines for 6th Street written by city staff.
 - ii. TCEDC will arrange with TNT to meet and finalize the signage.
- c. The agreement states that the owner (Sweet Mia's Boutique LLC) will:
 - i. Maintain the business located at 1201 6th Street North for a minimum of a five year period.
 - ii. Enter into a separate agreement with TNT for construction and placement of the sign.
 - iii. One sign will be placed on the east wall of the property facing 6th Street.
 - iv. Maintain attractive appearance on the exterior of the property of the minimum of a five year period.
 - v. Keep and maintain the signs on the property secured and in good repair for a minimum of a five year period.
 - vi. Use only approved signs provided by TNT.

III. **Recommendation**

- a. Approve the Business Owner Sign Agreement between the TCEDC and Sweet Mia's Boutique LLC.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Funding Source: TCEDC
- c. Cost: Not to exceed \$700

V. **Economic Impact**

- a. Enhances property values, safety, and aesthetics on a significant community corridor along 6th Street.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

NOTES	SUB TOTAL	\$595.00	
	SALES TAX	\$0.00	
	SHIPPING		
	TOTAL	\$595.00	

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-05

A RESOLUTION AUTHORIZING THE BOARD CHAIRPERSON TO ENTER INTO A BUSINESS OWNER SIGN AGREEMENT WITH SWEET MIA'S BOUTIQUE LLC FOR PROPERTY LOCATED AT 1201 6TH STREET NORTH; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation, duly held on March 3, 2020, a general discussion was held concerning entering into a business sign agreement with Sweet Mia's Boutique LLC for property located at 1201 6th Street North; and

WHEREAS, it is recommended that the TCEDC and Sweet Mia's Boutique LLC enter into a Business Owner Sign Agreement for property located at 1201 6th Street, known as Pallet Bar.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Texas City Economic Development Corporation hereby approves the Board Chairperson to enter into a Business Owner Agreement with Sweet Mia's Boutique LLC for signage at property located at 1201 6th Street North.

SECTION 2: The Chairman of Texas City Economic Development Corporation or designee is hereby authorized to execute the documents necessary for said agreement on behalf of the Texas City Economic Development Corporation.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRMAN/PRESIDENT
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY
Texas City Economic Development Corporation



CUSTOMER PROOF

COMPANY NAME

City Of Texas City-6th Street Signage Project

CONTACT

Nick Flnan

NOTES:

JOB# j77688 | 1 OF 1

PROOF DATE _____ PROOF REV # _____

APPROVAL DATE _____

INIT _____

QUANTITY ORDERED

1

PLEASE REVIEW YOUR PROOF CAREFULLY, CHECK ALL SPELLING & NUMBERS TO ENSURE EVERYTHING IS CORRECT. ONCE YOU SIGN OFF ON THIS PROOF YOU ARE RESPONSIBLE FOR ANY COST INCURRED IF YOUR JOB HAS TO BE REDONE. A \$25.00 ART FEE WILL BE APPLIED TO EACH REVISION AFTER THE THIRD PROOF.

SIGN 4x8 SINGLE FACE

4'x8' single sided signabond panel sign for the Sweet Mias's boutique- installed at 1201 6th Street North

Print Media 3651(blockout) Color _____

Applied to SIGNABOND Finishing _____

Laminated 3M 8518 (STANDARD)

GO TO JOB





PRODUCT_NOTES

2/11/2021 Phone: 409-945-7446 • Fax: 409-945-7445 • sales@tntsigns.net PRODUCT# p46326

TCEDC Agenda

4. g.

Meeting Date: 03/03/2021

Submitted By: Rhomari Jackson, Management Services

Department: Management Services

ACTION REQUEST (Brief Summary)

Consider and take action on Resolution No. 21-06, approving the sale of real property to Rhino Recycling, LLC pursuant to the Real Estate Sales Contracted date February 18, 2021, and further authorizing the Chairman to execute all documents necessary to effectuate the sale.

BACKGROUND

- a. The TCEDC owns the property at 1004 4th Avenue South, Texas City, Texas 77590.
- b. In 2013, the TCEDC executed a commercial lease with Rhino Recycling LLC in 2013 for this property. The lease was for a two year term, with an automatic renewal for two year terms. The lease provided for a purchase option.
- c. In 2014, Rhino Recycling LLC entered into a Sublease and Purchase Option with Sprint Waste Services LP.

ANALYSIS

ALTERNATIVES CONSIDERED

Attachments

Attachment
Staff Report
resolution

Real Estate Sales Contract

This Real Estate Sale Contract ("Contract") is by and between the Texas City Economic Development Corporation ("Seller") and Rhino Recycling, LLC ("Buyer") is effective on the date ("Effective Date") of the last of the signatures by Seller and Buyer as parties to this Contract and by Title Company to acknowledge receipt of the Earnest Money.

Buyer must deliver the Earnest Money to Title Company and obtain Title Company's signature before the Earnest Money Deadline provided in section A.1. for this Contract to be effective. If the Earnest Money is paid by check and payment on presentation is refused, Buyer is in default.

Seller: Texas City Economic Development Corporation.
1801 Palmer Highway
Texas City, Texas 77590

Buyer: Rhino Recycling, LLC
P. O. Box 276
Hitchcock, Texas 77563

Real Property:

The real properties commonly known as 1004 - 4th Avenue South, Texas City, Texas 77590 consisting of approximately 6.1426 acres of land and 10th Street South consisting of approximately 0.8783 acres, as more particularly described in Exhibit "A" attached hereto and incorporated herein (herein "Property").

Title Company: Southland Title Company, LLC
10806 32nd Ave North
Texas City, TX 77591

Purchase Price: SEVEN HUNDRED SIXTY-SEVEN THOUSAND TWO HUNDRED THIRTY-THREE AND 94/100 DOLLARS (\$767,233.94).

Cash portion: SEVEN HUNDRED SIXTY-SEVEN THOUSAND TWO HUNDRED THIRTY-THREE AND 94/100 DOLLARS (\$767,233.94).

Earnest Money: TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00)

Surveyor: TBD

A. Deadlines and Other Dates

All deadlines in this contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or national holiday, the deadline will be extended to the

next day that is not a Saturday, Sunday, or national holiday. A national holiday is a holiday designated by the federal government. Time is of the essence.

1. Earnest Money Deadline: Concurrent with the Effective Date
2. Delivery of Title Commitment: Ten (10) days after the Effective Date.
3. Delivery of Survey: Thirty (30) days after the Effective Date.
4. Delivery of legible copies of instruments referenced in the Title Commitment, Survey: Fifteen (15) days after the Effective Date
5. Delivery of Title Objections: Ten (10) days after delivery of the Title Commitment, Survey, and legible copies of the instruments referenced in them.
6. Closing Date: Fifteen (15) days receipt of the A. 5 or upon the resolution of any title objections identified by Buyer.

B. Closing Documents

1. At closing, Seller will deliver the following items:

Special Warranty Deed
Bill of Sale and Assignment
Evidence of Seller's authority to close this transaction

2. At closing, Buyer will deliver the following items:

Evidence of Buyer's authority to consummate this transaction
Cash Portion

The documents listed in this section B are collectively known as the "Closing Documents." Unless otherwise agreed by the parties before closing, the deed will be prepared using the forms contained in the current edition of the *Texas Real Estate Forms Manual* (State Bar of Texas).

C. Exhibits

The following are attached to and are a part of this contract:

Exhibit A – Description(s) of Real Property.

Exhibit B - Representations; Environmental Matters

D. Purchase and Sale of Property

Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to buy and pay Seller for the Property. The promises by Buyer and Seller stated in this contract are the consideration for the formation of this contract.

E. Interest on Earnest Money

Buyer may direct Title Company to invest the Earnest Money in an interest-bearing account in a federally insured financial institution by giving notice to Title Company and satisfying Title Company's requirements for investing the Earnest Money in an interest-bearing account. Any interest earned on the Earnest Money will be paid to the party that becomes entitled to the Earnest Money.

F. Title and Survey

1. *Review of Title.* The following statutory notice is provided to Buyer on behalf of the real estate licensees, if any, involved in this transaction: Buyer is advised that it should either have the abstract covering the Property examined by an attorney of Buyer's own selection or be furnished with or obtain a policy of title insurance.

2. *Title Commitment; Title Policy.* "Title Commitment" means a Commitment for Issuance of an Owner Policy of Title Insurance by Title Company, as agent for Underwriter, stating the condition of title to the Land. The "effective date" stated in the Title Commitment must be after the Effective Date of this contract. "Title Policy" means an Owner Policy of Title Insurance issued by Title Company, as agent for Underwriter, in conformity with the last Title Commitment delivered to and approved by Buyer.

3. *Survey.* "Survey" means an on-the-ground, staked plat of survey and metes-and-bounds description of the Land, prepared by Surveyor or another surveyor satisfactory to Title Company, dated after the Effective Date, and certified to comply with the current standards and specifications as published by the Texas Society of Professional Surveyors for the Survey Category.

4. *Delivery of Title Commitment, Survey and Legible Copies.* Seller must deliver the Title Commitment to Buyer by the deadline stated in section A.2; the Survey by the deadline stated in section A.3; and legible copies of the instruments referenced in the Title Commitment, Survey by the deadline stated in section A.4.

5. *Title Objections.* Buyer has until the deadline stated in section A.5. ("Title Objection Deadline") to review the Survey, Title Commitment, and legible copies of the title instruments referenced in them and notify Seller of Buyer's objections to any of them ("Title Objections"). Buyer will be deemed to have approved all matters reflected by the Survey and Title Commitment to which Buyer has made no Title Objection by the Title Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted

Exceptions." If Buyer notifies Seller of any Title Objections, Seller has five days from receipt of Buyer's notice to notify Buyer whether Seller agrees to cure the Title Objections before closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before closing, Buyer may, within five days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this contract is terminated or Buyer will proceed to close, subject to Seller's obligations to resolve the items listed in Schedule C of the Title Commitment, remove the liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before closing, Seller must resolve the items that are listed on Schedule C of the Title Commitment, remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this contract, and cure the Title Objections that Seller has agreed to cure.

G. Inspection Period

1. *Entry onto the Property.* Buyer may enter the Property before closing to inspect it.
2. *Buyer's Right to Terminate.* Buyer has the right to inspect the Property for twenty (20) days following the Effective Date ("Inspection Period"). Buyer may terminate this Contract for any reason by notifying Seller during the Inspection Period. If Buyer does not notify Seller of Buyer's termination of the Contract during the Inspection Period, Buyer waives the right to terminate this Contract pursuant to this provision.

H. Representations

The Seller's representations stated in Exhibit B are true and correct as of the Effective Date and must be true and correct on the Closing Date.

I. Condition of the Property until Closing; Cooperation; No Recording of Contract

1. *Maintenance and Operation.* [INTENTIONALLY DELETED]
2. *Casualty Damage.* [INTENTIONALLY DELETED]
3. *Condemnation.* Seller will notify Buyer promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. Buyer may terminate this contract if the condemnation would materially affect Buyer's intended use of the Property by giving notice to Seller within fifteen (15) days after receipt of Seller's notice to Buyer (or before closing if Seller's notice is received less than fifteen days before closing). The condemnation will be deemed to materially affect Buyer's intended use if any of the Property is to be lost through the condemnation. If Buyer does not terminate this contract, (a) Buyer and Seller will each have the right to appear and defend their respective interests in the Property in the condemnation proceedings, (b) any award in condemnation will be assigned to Buyer, (c) if the taking occurs

before closing, the description of the Property will be revised to delete the portion taken, and (d) no change in the Purchase Price will be made.

4. *Claims; Hearings.* Seller will notify Buyer promptly of any claim or administrative hearing that is threatened, filed, or initiated before closing that involves or directly affects the Property.

5. *Cooperation.* Seller will cooperate with Buyer (a) before and after closing, to transfer the applications, permits, and licenses held by Seller and used in the operation of the Property and to obtain any consents necessary for Buyer to operate the Property after closing and (b) before closing, with any reasonable evaluation, inspection, audit, or study of the Property prepared by, for, or at the request of Buyer.

6. *No Recording.* Buyer may not file this contract or any memorandum or notice of this contract in the real property records of any county. If, however, Buyer records this contract or a memorandum or notice, Seller may terminate this contract and record a notice of termination.

J. Termination

1. *Disposition of Earnest Money after Termination*

a. *To Buyer.* If Buyer terminates this contract in accordance with any of Buyer's rights to terminate, Seller will, within five (5) days after receipt of Buyer's termination notice, authorize Title Company to deliver the Earnest Money to Buyer, less \$1000, which will be paid to Seller as consideration for the right granted by Seller to Buyer to terminate this contract.

b. *To Seller.* If Seller terminates this contract in accordance with any of Seller's rights to terminate, Buyer will, within five (5) days after receipt of Seller's termination notice, authorize Title Company to pay and deliver the Earnest Money to Seller.

2. *Duties after Termination.* If this contract is terminated, Buyer will promptly return to Seller all documents relating to the Property that Seller has delivered to Buyer and all copies that Buyer has made of the documents. After return of the documents and copies, neither party will have further duties or obligations to the other under this contract, except for those obligations that cannot be or were not performed before termination of this contract and those obligations that survive termination under the express terms of this contract.

K. Closing

1. *Closing.* This transaction will close at Title Company's offices at the Closing Date and Closing Time. At closing, the following will occur:

- a. *Closing Documents.* The parties will execute and deliver the Closing Documents.
- b. *Payment of Purchase Price.* Buyer will deliver the Purchase Price and other amounts that Buyer is obligated to pay under this contract to Title Company in funds acceptable to Title Company. The Earnest Money will be applied to the Purchase Price.
- c. *Disbursement of Funds; Recording; Copies.* Title Company will be instructed to disburse the Purchase Price and other funds in accordance with this contract, record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
- d. *Delivery of Originals.* Seller will deliver to Buyer the originals of Seller's Records.
- e. *Possession.* Seller will deliver possession of the Property to Buyer, subject to the Permitted Exceptions existing at closing and any lien and security interest in favor of Seller, if the sale is seller-financed.

2. *Transaction Costs*

- a. *Seller's Costs.* Seller will pay the basic charge for the Title Policy; one-half of the escrow fee charged by Title Company; the costs to prepare the deed; the costs to obtain, deliver, and record releases of all liens to be released at closing; the costs to record all documents to cure Title Objections agreed to be cured by Seller; Title Company's inspection fee to delete from the Title Policy the customary exception for parties in possession; the costs to obtain the Survey and certificates or reports of ad valorem taxes; the costs to deliver copies of the instruments described in section A.4.; and Seller's expenses and attorney's fees.
- b. *Buyer's Costs.* Buyer will pay one-half of the escrow fee charged by Title Company; the costs to obtain, deliver, and record all documents other than those to be recorded at Seller's expense; the additional premium for the "survey/area and boundary deletion" in the Title Policy, if the deletion is requested by Buyer; the costs of work required by Buyer to have the survey reflect matters other than those required under this contract; and Buyer's expenses and attorney's fees.
- c. *Ad Valorem Taxes.* Ad valorem taxes for the Property for the calendar year of closing will be prorated between Buyer and Seller as of the Closing Date. Seller's portion of the prorated taxes will be paid to Buyer

at closing as an adjustment to the Purchase Price. If the assessment for the calendar year of closing is not known at the Closing Date, the proration will be based on taxes for the previous tax year, and Buyer and Seller will adjust the prorations in cash within thirty days of when the actual assessment and taxes are known. Seller will promptly notify Buyer of all notices of proposed or final tax valuations and assessments that Seller receives after the Effective Date and after closing. All taxes due as of closing will be paid at closing.

- d. *Postclosing Adjustments.* If errors in the prorations made at closing are identified within ninety days after closing, Seller and Buyer will make postclosing adjustments to correct the errors within fifteen days of receipt of notice of the errors.
- f. *Brokers' Commissions.* Buyer and Seller each indemnify and agree to defend and hold the other party harmless from any loss, attorney's fees, and court and other costs arising out of a claim by any person or entity claiming by, through, or under the indemnitor for a broker's or finder's fee or commission because of this transaction or this contract, whether the claimant is disclosed to the indemnitee or not. At closing, each party will provide the other party with a release of broker's or appraiser's liens from all brokers or appraisers for which each party was responsible.

3. *Issuance of Title Policy.* Seller will cause Title Company to issue the Title Policy to Buyer as soon as practicable after closing.

L. Default and Remedies

1. *Seller's Default.* If Seller fails to perform any of its obligations under this contract or if any of Seller's representations is not true and correct as of the Effective Date or on the Closing Date ("Seller's Default"), Buyer may elect either of the following as its sole and exclusive remedy:

- a. *Termination; Liquidated Damages.* Buyer may terminate this contract by giving notice to Seller on or before the Closing Date and Closing Time and have the Earnest Money, less \$1000 as described above, returned to Buyer. Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, if Seller's Default occurs after Buyer has incurred costs to investigate the Property after the Effective Date and Buyer terminates this contract in accordance with the previous sentence, Seller will also pay to Buyer as liquidated damages the lesser of Buyer's actual out-of-pocket expenses incurred to investigate the Property after the Effective Date or the amount of Buyer's Liquidated Damages, within ten days after Seller's receipt of an invoice from Buyer stating the amount of Buyer's expenses.

- b. *Specific Performance.* Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, Buyer may enforce specific performance of Seller's obligations under this contract. If title to the Property is awarded to Buyer, the conveyance will be subject to the matters stated in the Title Commitment.

2. *Buyer's Default.* If Buyer fails to perform any of its obligations under this contract ("Buyer's Default"), Seller may elect either of the following as its sole and exclusive remedy:

- a. *Termination; Liquidated Damages.* Seller may terminate this contract by giving notice to Buyer on or before the Closing Date and Closing Time and have the Earnest Money paid to Seller. If Buyer's Default occurs after Seller has incurred costs to perform its obligations under this contract and Seller terminates this contract in accordance with the previous sentence, Buyer will also reimburse Seller for the lesser of Seller's actual out-of-pocket expenses incurred to perform its obligations under this contract or the amount of Seller's Additional Liquidated Damages, within ten days of Buyer's receipt of an invoice from Seller stating the amount of Seller's expenses.
- b. *Specific Performance.* Seller may enforce specific performance of Buyer's obligations under this contract. If title to the Property is awarded to Buyer, the conveyance will be subject to the matters stated in the Title Commitment.

3. *Liquidated Damages.* The parties agree that just compensation for the harm that would be caused by a default by either party cannot be accurately estimated or would be very difficult to accurately estimate and that Buyer's Liquidated Damages or the Earnest Money and Seller's Additional Liquidated Damages are reasonable forecasts of just compensation to the non-defaulting party for the harm that would be caused by a default.

4. *Attorney's Fees.* If either party retains an attorney to enforce this contract, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

M. Miscellaneous Provisions

1. *Notices.* Any notice required by or permitted under this contract must be in writing. Any notice required by this contract will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this contract. Notice may also be given by regular mail, personal delivery, courier delivery,

facsimile transmission, electronic mail, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Copies of each notice must be given by one of these methods to the attorney of the party to whom notice is given.

2. *Entire Contract.* This contract, together with its exhibits, and any Closing Documents delivered at closing constitute the entire agreement of the parties concerning the sale of the Property by Seller to Buyer. There are no oral representations, warranties, agreements, or promises pertaining to the sale of the Property by Seller to Buyer not incorporated in writing in this contract.

3. *Amendment.* This contract may be amended only by an instrument in writing signed by the parties.

4. *Assignment.* Buyer may assign this contract and Buyer's rights under it only to an entity in which Buyer possesses, directly or indirectly, the power to direct or cause the direction of its management and policies. No such assignment will relieve Buyer of its obligations under this contract, and Buyer and the assignee will be jointly and severally liable for the performance of such obligations after any such assignment. This contract binds, benefits, and may be enforced by the parties and their respective heirs, successors, and permitted assigns.

5. *Survival.* The obligations of this contract that cannot be performed before termination of this contract or before closing will survive termination of this contract or closing, and the legal doctrine of merger will not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents will control.

6. *Choice of Law; Venue; Alternative Dispute Resolution.* This contract will be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. Venue is in the County for Performance, except as otherwise provided by applicable law. Time permitting, the parties will submit in good faith to an alternative dispute resolution process before filing a suit concerning this contract.

7. *Waiver of Default.* It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays taking any action with respect to the default.

8. *No Third-Party Beneficiaries.* There are no third-party beneficiaries of this contract.

9. *Severability.* The provisions of this contract are severable. If a court of competent jurisdiction finds that any provision of this contract is unenforceable, the remaining provisions will remain in effect without the unenforceable parts.

10. *Ambiguities Not to Be Construed against Party Who Drafted Contract.* The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this contract.

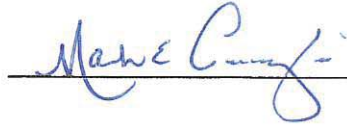
11. *No Special Relationship.* The parties' relationship is an ordinary commercial relationship, and they do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship.

12. *Counterparts.* If this contract is executed in multiple counterparts, all counterparts taken together will constitute this contract.

13. *Confidentiality.* The parties will keep confidential this contract, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to investigate the Property or either party to close this transaction.

SELLER:

Texas City Economic Development Corporation



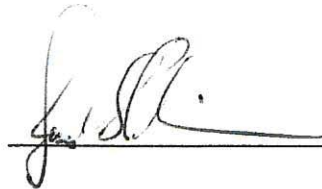
By:

TEXAS CITY EDC, its CHAIRMAN

Date: 2/18/21

BUYER:

Rhino Recycling, LLC



By:

Member, its _____

Date: _____

Title Company acknowledges receipt of Earnest Money in the amount of \$ _____
and a copy of this contract executed by both Buyer and Seller.

Southland Title Company, LLC

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

Description of Real Property

Tract 1

A 6.1426 acres (267,571 Sq. Ft.) tract of land located in the Norman Hurd Survey, Abstract No. 77, Galveston County, Texas, and the John Grant Survey Abstract No. 72, Galveston County, Texas and being part of and out of that certain Texas City Co. 17.25 acre tract as shown on the plat of said Kohfeldts First Addition, said 6.1426 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the southeast corner of Block 17 of Kohfeldts First Addition, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Volume 14, Page 47, of the Galveston County Map records and being in the north right of way line of 4th Avenue South (75' R.O.W.);

THENCE N87°38'21"E along and with the north right of way line of said 4th Avenue South, a distance of 698.50' to a 5/8" iron rod set for the southeast corner of the tract herein described and being in the west right of way line of the Texas City Terminal Railway Co. 50' R.O.W.

THENCE N02°23'39"W along and with the west right of way line of said Texas City Terminal Railway Co. 50' R.O.W., a distance of 269.86' to a 5/8" iron rod set for the most easterly north corner of the tract herein described;

THENCE S87°35'41"W, a distance of 68.70' to a 5/8" iron rod set for an interior corner of the tract herein described and being in the west right of way line of the Texas City Terminal Railway Co. 100' R.O.W.;

THENCE N02°23'39"W along and with the west right of way line of said Texas City Terminal Railway Co. 100' R.O.W., a distance of 445.15' to a 5/8" iron rod set for the most northerly east corner of the tract herein described, same being the southeast corner of a tract of land conveyed to Gregory Mills as described in G.C. C. F. No. 960471B;

THENCE S87°36'21"W along and with the south line of said Mills tract, a distance of 175.00' to a point for the most northerly west corner of the tract herein described, being in the east right of way line of 11th Street (80' ROW) and from which a 1/2" iron rod was found at S85°25'34"W 1.12';

THENCE S02°23'39"E along and with the east right of way line of said 11th Street, a distance of 445.00' to a 5/8" iron rod set for an interior corner of the tract herein described and being in the south right of way line of 3rd Avenue South (70' R.O.W.);

THENCE S87°36'21" W along and with the south right of way line of said 3rd Avenue South, a distance of 463.03' to a point for the most westerly corner of the tract herein described, same being the northeast corner of Block 18, of said Kohfeldts First Addition, and from which a 1" iron pipe was found at N07°09'27"E 1.18';

THENCE S04°08'28"E along and with the east line of said Blocks 17 and 18, a distance of 270.13' to the POINT OF BEGINNING of the tract herein described.

Tract 2

ABST 77 N Hurd Sur, TR 14, ACRES 0.8783 (38258.75 sq. ft.)

Exhibit B

Representations; Environmental Matters

A. Seller's Representations to Buyer

Seller represents to Buyer that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Seller is a Texas economic development corporation established pursuant to Chapter 501 of the TEX. LOC. GOV'T CODE duly organized, validly existing, and in good standing under the laws of the state of Texas with authority to convey the Property to Buyer. This contract is, and all documents required by this contract to be executed and delivered to Buyer at closing will be, duly authorized, executed, and delivered by Seller.

2. *Litigation.* There is no litigation pending or threatened against Seller that might affect the Property or Seller's ability to perform its obligations under this contract.

3. *Violation of Laws.* Seller has not received notice of violation of any law, ordinance, regulation, or requirements affecting the Property or Seller's use of the Property.

4. *Licenses, Permits, and Approvals.* Seller has not received notice that any license, permit, or approval necessary to operate the Property in the manner in which it is currently operated will not be renewed on expiration or that any material condition will be imposed in order to obtain their renewal.

5. *Condemnation; Zoning; Land Use; Hazardous Materials.* Seller has not received notice of any condemnation, zoning, or land-use proceedings affecting the Property or any inquiries or notices by any governmental authority or third party with respect to the presence of hazardous materials on the Property or the migration of hazardous materials from the Property.

6. *No Other Obligation to Sell the Property or Restriction against Selling the Property.* Except for granting a security interest in the Property, Seller has not obligated itself to sell the Property to any party other than Buyer. Seller's performance of this contract will not cause a breach of any other agreement or obligation to which Seller is a party or to which it is bound.

7. *No Liens.* On the Closing Date, the Property will be free and clear of all mechanic's and materialman's liens and other liens and encumbrances of any nature except the Permitted Exceptions, and no work or materials will have been furnished to the Property that might give rise to mechanic's, materialman's, or other liens against the Property other than work or materials to which Buyer has given its consent.

8. *No Other Representation.* Except as stated above or in the notices, statements, and certificates set forth in Exhibit D, Seller makes no representation with respect to the Property.

9. *No Warranty.* Seller has made no warranty in connection with this contract.

B. "As Is, Where Is"

THIS CONTRACT IS AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE PURCHASE PRICE WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS, DISCLOSURES, OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT FOR THE WARRANTY OF TITLE STATED IN THE CLOSING DOCUMENTS AND SELLER'S REPRESENTATIONS TO BUYER SET FORTH IN SECTION A OF THIS EXHIBIT B.

THE PROPERTY WILL BE CONVEYED TO BUYER IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. SELLER MAKES NO WARRANTY OF CONDITION, MERCHANTABILITY, OR SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PERSONAL PROPERTY. ALL WARRANTIES, EXCEPT THE WARRANTY OF TITLE IN THE CLOSING DOCUMENTS, AND THE WARRANTIES TO BUYER SET FORTH IN SECTION A OF THIS EXHIBIT B, ARE DISCLAIMED.

BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS RELYING SOLELY ON BUYER'S EXAMINATION OF THE PROPERTY. BUYER IS NOT RELYING ON ANY INFORMATION OR DISCLOSURES PROVIDED BY SELLER.

C. Environmental Matters

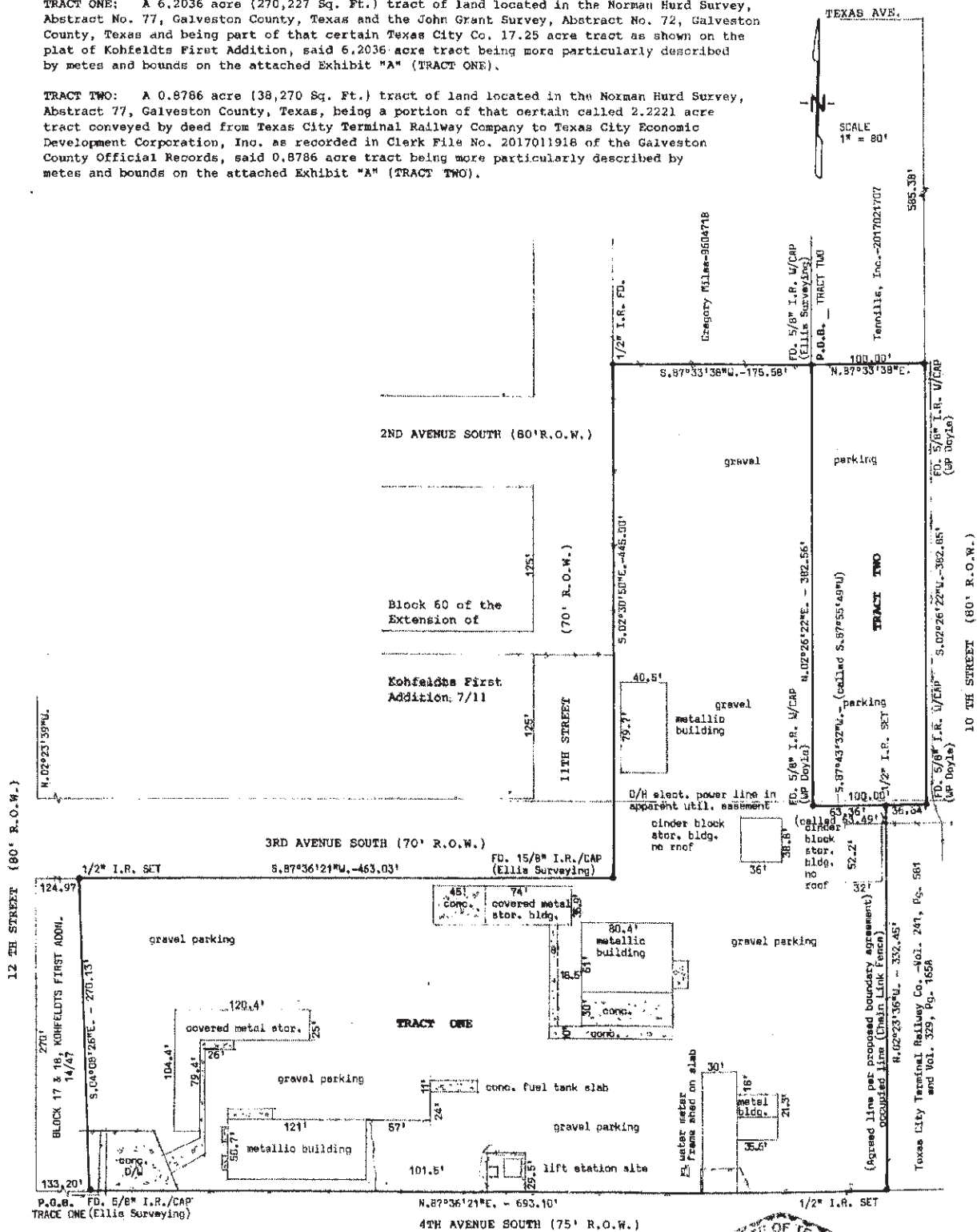
AFTER CLOSING, AS BETWEEN BUYER AND SELLER, THE RISK OF LIABILITY OR EXPENSE FOR ENVIRONMENTAL PROBLEMS, EVEN IF ARISING FROM EVENTS BEFORE CLOSING, WILL BE THE SOLE RESPONSIBILITY OF BUYER, REGARDLESS OF WHETHER THE ENVIRONMENTAL PROBLEMS WERE KNOWN OR UNKNOWN AT CLOSING. ONCE CLOSING HAS OCCURRED, BUYER INDEMNIFIES, HOLDS HARMLESS, AND RELEASES SELLER FROM LIABILITY FOR ANY LATENT DEFECTS AND FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, OR THE TEXAS WATER CODE. **BUYER INDEMNIFIES, HOLDS HARMLESS, AND RELEASES SELLER FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY ARISING AS THE RESULT OF SELLER'S OWN NEGLIGENCE OR THE NEGLIGENCE OF SELLER'S REPRESENTATIVES.** BUYER INDEMNIFIES, HOLDS HARMLESS, AND RELEASES SELLER FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY ARISING AS THE RESULT OF THEORIES OF PRODUCTS LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE THAT WOULD OTHERWISE IMPOSE ON

SELLERS IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY.

The provisions of this section C regarding the Property will be included in the deed with appropriate modification of terms as the context requires.

TRACT ONE: A 6.2036 acre (270,227 Sq. Ft.) tract of land located in the Norman Hurd Survey, Abstract No. 77, Galveston County, Texas and the John Grant Survey, Abstract No. 72, Galveston County, Texas and being part of that certain Texas City Co. 17.25 acre tract as shown on the plat of Kohfeldts First Addition, said 6.2036 acre tract being more particularly described by metes and bounds on the attached Exhibit "A" (TRACT ONE).

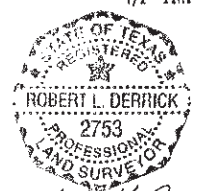
TRACT TWO: A 0.8786 acre (38,270 Sq. Ft.) tract of land located in the Norman Hurd Survey, Abstract 77, Galveston County, Texas, being a portion of that certain called 2.2221 acre tract conveyed by deed from Texas City Terminal Railway Company to Texas City Economic Development Corporation, Inc. as recorded in Clerk File No. 2017011918 of the Galveston County Official Records, said 0.8786 acre tract being more particularly described by metes and bounds on the attached Exhibit "A" (TRACT TWO).



I hereby certify that this is a plat on the above property indicating improvements thereon which was prepared under my supervision from a survey made on the ground on November 2, 2020.

Subject property DOES NOT lie within the 100 year Flood plain; Property lies in Zone X according to Map No. 485514 0268 G (not printed)

Derrick Surveying
13016 Elizabeth Drive
Santa Fe, Texas 77510
409-925-7221
Firm No. 10105300



Robert L. Derrick
Robert L. Derrick

Job No. 11691



Staff Report

March 3, 2021

Texas City Economic Development Corporation

Subject: Consideration and take action on approving the sale of real property to Rhino Recycling LLC, pursuant to the Real Estate Sales Contract dated February 18, 2021, and further authorizing the Chairman to execute all documents necessary to effectuate the sale.

I. **Background**

- a. The TCEDC owns the property at 1004 4th Avenue South, Texas City, Texas 77590.
- b. In 2013, the TCEDC executed a commercial lease with Rhino Recycling LLC in 2013 for this property. The lease was for a two year term, with an automatic renewal for two year terms. The lease provided for a purchase option.
- c. In 2014, Rhino Recycling LLC entered into a Sublease and Purchase Option with Sprint Waste Services LP.

II. **Current Situation**

- a. The Economic Development Corporation is requested to consider approval of a sale of TCEDC owned property to Rhino Recycling LLC. This will be executed through a Real Estate Sales Contract.
- b. This further states that Rhino Recycling LLC will provide full payment of \$767,233.94 for the property.

III. **Recommendation**

- a. Approve the Sale of TCEDC Owned Property at 1004 4th Avenue North to Rhino Recycling LLC.

IV. **Fiscal Impact Report**

- a. Staff: Garrett McLeod
- b. Sale of Property: \$767,233.94

V. **Economic Impact**

- a. Further enhances economic activity for industrial related businesses within the Texas Avenue corridor.

Respectfully Submitted,

Garrett C. McLeod
Economic Development Director

TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION

RESOLUTION NO. 21-06

A RESOLUTION APPROVING THE SALE TEXAS CITY ECONOMIC DEVELOPMENT PROPERTY LOCATED AT 1004 FOURTH AVENUE NORTH TO RHINO RECYCLING LLC; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Economic Development Corporation, duly held on March 3, 2021, a general discussion was held concerning the sale of Texas City Economic Development Corporation property located at 1004 Fourth Avenue North; and

WHEREAS, in 2013, the TCEDC executed a lease with Rhino Recycling LLC for the property previously stated. Rhino Recycling LLC then entered into a sublease and purchase option with Sprint Waste Services LP in 2014; and

WHEREAS, City staff recommends that the TCEDC ratify sale of this property for a full payment of \$767,233.94.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Economic Development Corporation hereby ratifies the sale of Property in **Exhibit “A”** attached hereto and incorporated herein.

SECTION 2: The Chairperson or Vice Chairperson is hereby authorized to execute any documents necessary for the sale of said property from the Texas City Economic Development Corporation.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 3rd day of March 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Economic Development Corporation

ATTEST:

BOARD SECRETARY
Texas City Economic Development Corporation