



LITTLE ELM

**Agenda
100 W. Eldorado Parkway
Little Elm, TX 75068**

**TIRZ #3 Board of Directors Meeting
Tuesday, August 16, 2022 5:30 p.m.**

1. **Call to Order / Roll Call.**
2. Present, Discuss, and Consider Action to Approve the **Amended and Restated Reimbursement Agreement and Performance Agreement between Tax Increment Zone Number Three, Town of Little Elm and Little Elm EDC.**
3. Present, Discuss, and Consider Action to Approve a **Reimbursement Agreement between Tax Increment Reinvestment Zone Number Three and 100 Hardwicke, LLC.**
4. Present, Discuss, and Consider Action to Approve the **Termination of Reimbursement Agreement and Performance Agreement between the Tax Increment Reinvestment Zone Number Three and the Little Elm Economic Development Corporation.**
5. Present, Discuss, and Consider Action on **Resolution No. 0816202201T3 a Resolution of the Board of Directors of Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, approving certain project expenditures; providing a severability clause; and providing an effective date.**
6. **Adjourn.**

Respectfully,
Caitlan Biggs, Town Secretary

This is to certify that the above notice was posted on the Town of Little Elm website prior to 5:30 p.m. the 11th day of August.



Date: 08/16/2022
Agenda Item #: 2.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss, and Consider Action to Approve the **Amended and Restated Reimbursement Agreement and Performance Agreement between Tax Increment Zone Number Three, Town of Little Elm and Little Elm EDC.**

DESCRIPTION:

The EDC has a loan contract with Government Capital to fund certain project costs within TIRZ #3. The TIRZ #3 desires to reimburse the EDC for a portion of the loan with the Town ad valorem taxes and deposited into TIRZ #3 Tax Increment Fund from the Hotel constructed on the Property but not to exceed **sixty Thousand and No/100 Dollars (\$60,000.00)** per year, and the total aggregate payment of **Eight Hundred Forty Thousand and No/100 Dollars (\$840,000.00)**.

Obligations of the EDC

- The EDC covenants and agrees to provide to the Town or TIRZ #3 upon request any documentation reflecting the Government Capital loan to finance TIRZ #3 project costs.

Obligations of TIRZ #3

- **Payments Solely from TIRZ # 3 Tax Increment Fund.** Payment will be made solely from funds available in the TIRZ #3 Increment Fund, as such funds are on deposit in the TIRZ #3 TIF and which are attributed to ad valorem taxes paid and collected on the property (Exhibit A). The Amendment aligns with the timing of the development on said property.
- **Grant Amount.** TIRZ # 3 covenants and agrees to pay EDC annually during the Term of this Agreement one hundred percent (100%) of the monies collected from ad valorem taxes and deposited into the TIRZ # 3 Tax Increment Fund attributable to the revenues paid and collected on the Property (Exhibit A) but not to exceed the Grant Amount **Sixty Thousand and No/100 Dollars (\$60,000.00)** per year. The aggregate of payments pursuant to this Agreement shall not exceed **Eight Hundred Forty Thousand and No/100 Dollars (\$840,000.00)**.
- **Frequency and Amount of Payment.** The frequency and amount of payment to EDC under this Agreement shall coincide with the frequency and amount of payments made by the various taxing units into the TIRZ # 3 Tax Increment Fund from fiscal year to fiscal year. Subject to all limitation and conditions precedent contained in this Agreement, TIRZ # 3 agrees to make Grant Amount payments to EDC within thirty (30) days after receipt of payments into the TIRZ # 3 Tax Increment Fund.

BUDGET IMPACT:

The **Grant Amount** equal to the amount of **Sixty Thousand and No/100 Dollars (\$60,000.00)** per year, paid from funds solely available in the TIRZ # 3 Tax Increment Fund, and generated solely from ad valorem taxes collected on the Property (Exhibit A). The aggregate of payments pursuant to this Agreement shall not exceed **Eight Hundred Forty Thousand and No/100 Dollars (\$840,000.00)**

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Amended and Restated Reimbursement TIRZ #3 and EDC - hotel

**TAX INCREMENT REINVESTMENT ZONE NUMBER THREE,
TOWN OF LITTLE ELM, TEXAS,
AND
LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION,**

**AMENDED AND RESTATED REIMBURSEMENT AGREEMENT AND
PERFORMANCE AGREEMENT**

This **AMENDED AND RESTATED REIMBURSEMENT AGREEMENT AND PERFORMANCE AGREEMENT** (hereinafter referred to as this “Agreement”) is made and entered into by and among the **TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS**, (hereinafter referred to as the “TIRZ # 3”), a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended, and the **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “LEEDC”), is made and executed on the following recitals, terms and conditions.

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”), the Town Council of the Town of Little Elm, Texas, a Texas home rule municipality (hereinafter referred to as the “Town”) adopted Ordinance No. 1175 on October 15, 2013, which ordinance, among other things, (i) created, established, and designated an area within the corporate limits of the Town as “Reinvestment Zone Number Three, Town of Little Elm, Texas” (the “Reinvestment Zone”), (ii) created a Board of Directors for the Reinvestment Zone, and (iii) established a tax increment fund for the Reinvestment Zone; and

WHEREAS, Section 311.010(b) of the Act provides that the Board of Directors of TIRZ # 3 (hereinafter referred to as the “Board”) may enter into agreements as the Board consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, Section 311.010(h) of the Act authorizes the Board subject to the approval of the Town Council of the Town, “to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a

project plan or reinvestment zone financing plan”; and

WHEREAS, the Board has concluded and hereby finds that this Agreement clearly promotes economic development in the Town of Little Elm, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution and Section 311.010(h) of the Act by assisting in the development and diversification of the economy of the State of Texas and the Town, by eliminating unemployment or underemployment in the State of Texas, and the Town, and by the development or expansion of commerce within the State of Texas, and the Town; and

WHEREAS, the Board has determined that it is in the best interest of TIRZ # 3 to contract with LEEDC, in order to provide for the efficient and effective implementation of certain aspects of the TIRZ # 3’s Project and Financing Plan; and

WHEREAS, LEEDC entered into a loan agreement with Government Capital to fund certain project costs within TIRZ # 3; and

WHEREAS, TIRZ # 3 desires to reimburse LEEDC for said loan with the Town ad valorem taxes collected and deposited into TIRZ # 3 Tax Increment Fund from the Hotel constructed on the Property (*Exhibit A*) but not to exceed **Sixty Thousand and No/100 Dollars (\$60,000.00)** per year; and

WHEREAS, the LEEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, the LEEDC’s Board of Directors have determined the financial assistance provided is consistent with and meets the definition of “project” as that term is defined in Section 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TIRZ # 3 and the LEEDC agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall

be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, and shall continue thereafter until **February 1, 2038**, unless terminated sooner under the provisions hereof. This Agreement shall be continued in effect for the purposes of paying LEEDC any monies from the TIRZ # 3 Tax Increment Fund due and payable by January 31, 2038.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Amended and Restated Reimbursement Agreement and Performance Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any, authorized pursuant to Section 311.010 of the Act.
- (c) **Board.** The word “Board” means the Board of Directors of TIRZ # 3 authorized by Section 311.009 of the Act. For the purposes of this Agreement, Board’s address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.
- (d) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between TIRZ # 3 and the LEEDC.
- (e) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (f) **Grant Amount.** The words “Grant Amount” mean a grant equal to the amount of **Sixty Thousand and No/100 Dollars (\$60,000.00)** per year, paid from funds solely available in the TIRZ # 3 Tax Increment Fund, and generated solely from ad valorem taxes collected on the Property [i.e. Area 4]. The aggregate of payments pursuant to this Agreement shall not exceed **Eight Hundred Forty Thousand and No/100 Dollars (\$840,000.00)**.
- (g) **LEEDC.** The term “LEEDC” means the Little Elm Economic Development Corporation, a Type A economic development corporation, and a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 100 W. Eldorado Parkway, Little Elm, Texas 75068.
- (h) **Property.** The word “Property” means the approximately 2.43-acre tract of land

comprising the hotel, as depicted in said survey attached hereto as *Exhibit A*, which is incorporated herein for all purposes.

- (i) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.
- (j) **TIRZ # 3.** The words “TIRZ # 3” mean the tax increment financing reinvestment zone named Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, created by Town Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013, as amended, and as authorized by the Act.
- (j) **TIRZ # 3 Tax Increment Fund.** The words “TIRZ # 3 Tax Increment Fund” mean the tax increment fund established pursuant to Section 311.014 of the Act, and Section 6 of Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013.
- (m) **Town.** The word “Town” means the Town of Little Elm, Denton County, Texas, a Texas home-rule municipality. For the purposes of this Agreement, Town’s address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.

SECTION 4. OBLIGATIONS OF LEEDC.

The LEEDC covenants and agrees while this Agreement is in effect the LEEDC shall comply with the following terms and conditions:

- (a) **Documentation on Government Capital Loan.** LEEDC covenants and agrees to provide to the Town or TIRZ # 3 upon request any documentation reflecting the Government Capital loan to finance TIRZ # 3 project costs.
- (b) **Performance.** The LEEDC agrees to perform and comply with all terms, conditions and provisions set forth in this Agreement, and any other agreements by and between the Town, TIRZ # 3 and LEEDC.

SECTION 5. OBLIGATIONS OF TIRZ # 3.

TIRZ # 3 covenants and agrees while this Agreement is in effect TIRZ # 3 shall comply with the following terms and conditions:

- (a) **Payments Solely from TIRZ # 3 Tax Increment Fund.** In consideration of LEEDC’s obligations and expenditures including the Government Capital loan to finance TIRZ # 3 project costs, TIRZ # 3 and LEEDC agree, subject to the conditions contained in this Agreement, to make an economic development grant to LEEDC in the Grant Amount from current funds in the TIRZ # 3 Tax Increment Fund, as such funds are on deposit in the TIRZ # 3 Tax Increment Fund and which are attributable to ad valorem taxes paid and

collected on the Property [i.e. Area 4]; provided however, that notwithstanding any other provisions to the contrary, the obligation to make Grant Amount payments to LEEDC as described below shall be limited to the Grant Amount. TIRZ # 3 and LEEDC agree that the Grant Amount payments shall be only from the TIRZ # 3 Tax Increment Fund, subject to the conditions and limitations set out in this Agreement, and only to the extent such funds are on deposit or to be deposited in the TIRZ # 3 Tax Increment Fund.

- (b) **Grant Amount.** TIRZ # 3 covenants and agrees to pay LEEDC annually during the Term of this Agreement one hundred percent (100%) of the monies collected from ad valorem taxes and deposited into the TIRZ # 3 Tax Increment Fund attributable to the revenues paid and collected on the Property (Attached Survey, *Exhibit A*) but not to exceed the Grant Amount [Sixty Thousand and No/100 Dollars (\$60,000.00)] per year. The aggregate of payments pursuant to this Agreement shall not exceed **Eight Hundred Forty Thousand and No/100 Dollars (\$840,000.00)**.
- (c) **Frequency and Amount of Payment.** The frequency and amount of payment to LEEDC under this Agreement shall coincide with the frequency and amount of payments made by the various taxing units into the TIRZ # 3 Tax Increment Fund from fiscal year to fiscal year. Subject to all limitation and conditions precedent contained in this Agreement, TIRZ # 3 agrees to make Grant Amount payments to LEEDC within thirty (30) days after receipt of payments into the TIRZ # 3 Tax Increment Fund.
- (d) **Performance.** TIRZ # 3 agrees to perform and comply with all terms, conditions and provisions set forth in this Agreement, and any other agreements by and between the Town, TIRZ # 3 and LEEDC.

SECTION 6. EVENT OF DEFAULT.

- (a) **General Event of Default.** Failure of LEEDC or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of LEEDC or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between the LEEDC and TIRZ # 3 is an Event of Default.

SECTION 7. EFFECT OF AN EVENT OF DEFAULT.

Failure of TIRZ # 3 or LEEDC to comply with or perform any term, obligation or condition of this Agreement shall constitute an Event of Default. The non-defaulting party shall give written notice to the other parties of any default, and the defaulting party shall have thirty (30) days to begin to cure said default. Should said default remain uncured, the non-defaulting party or parties shall have the right to terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default.

SECTION 8. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Denton County, Texas.
- (c) **Assignment.** No Party shall have the right to assign its rights and/or obligations under this Agreement, or any interest herein, without the prior written consent of the other Parties.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ # 3 warrants and represents that the individual executing this Agreement on behalf of TIRZ # 3 has full authority to execute this Agreement and bind TIRZ # 3 to the same. LEEDC warrants and represents that the individual executing this Agreement on LEEDC's behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.
- (h) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (i) In accordance with Section 2270.002 of the Texas Government Code (as added by Tex. H.B. 89, 85th Leg., R.S. (2017)), the LEEDC verifies that it does not boycott Israel and will not boycott Israel during the Term of this Agreement.

- (j) In accordance with Section 2252.152 of the Texas Government Code (as added by Tex. S. B. 252, 85th Leg., R.S. (2017), the Parties covenant and agree that the LEEDC is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

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THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

TIRZ # 3:

**TAX INCREMENT REINVESTMENT ZONE
NUMBER THREE, TOWN OF LITTLE ELM,
TEXAS,**

By: _____

Name: _____

Chairperson

Date Signed: _____

LEEDC:

**LITTLE ELM ECONOMIC
DEVELOPMENT CORPORATION,**
a Texas non-profit corporation

By: _____

Ken Eaken, President

Date Signed: _____

Exhibit A

[Description of the Property]

Survey



Date: 08/16/2022
Agenda Item #: 3.
Department: Economic Development Corporation
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss, and Consider Action to Approve a **Reimbursement Agreement between Tax Increment Reinvestment Zone Number Three and 100 Hardwicke, LLC.**

DESCRIPTION:

This agreement establishes a Grant Payment Amount in the amount of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** per year, for **six (6) years** for an aggregate total not to exceed **One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00)**. This agreement shall be effective as of **August 17, 2022**, through **September 1, 2026**.

The Developer agrees to submit to the TIRZ #3 upon request, invoices receipts, or other documentation of the Qualified Expenditures made to the TIRZ #3 in a form acceptable to the TIRZ #3 prior to reimbursement, amount not to exceed **Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00)**

NOTE: The Developer has already submitted Qualified Expenditures for the entire project. EDC has already contributed **Four Hundred Thousand and No/100 Dollars (\$400,000.00)**

BUDGET IMPACT:

The TIRZ #3 will pay the Grant Payment Amount of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** per year, for **six (6) years** for an aggregate total not to exceed **One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00)**. This Grant Payment Amount is/will be allocated in the TIRZ budget for the years 2022 thru 2026.

RECOMMENDED ACTION:

Staff recommends the Board approve the Reimbursement Agreement as presented.

Attachments

Reimbursement between TIRZ and 100 Hardwicke

**TAX INCREMENT REINVESTMENT ZONE NUMBER THREE,
TOWN OF LITTLE ELM, TEXAS,
AND
100 HARDWICKE LLC,**

REIMBURSEMENT AGREEMENT

This **REIMBURSEMENT AGREEMENT** (hereinafter referred to as this “TIRZ Agreement”) is made and entered into by and among the **TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS**, (hereinafter referred to as the “TIRZ # 3”), a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended, and **100 HARDWICKE LLC**, a Texas limited liability company (hereinafter referred to as the “Developer”), is made and executed on the following recitals, terms and conditions.

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”), the Town Council of the Town of Little Elm, Texas, a Texas home rule municipality (hereinafter referred to as the “Town”) adopted Ordinance No. 1175 on October 15, 2013, which ordinance, among other things, (i) created, established, and designated an area within the corporate limits of the Town as “Reinvestment Zone Number Three, Town of Little Elm, Texas” (the “Reinvestment Zone”), (ii) created a Board of Directors for the Reinvestment Zone, and (iii) established a tax increment fund for the Reinvestment Zone; and

WHEREAS, Section 311.010(b) of the Act provides that the Board of Directors of TIRZ # 3 (hereinafter referred to as the “Board”) may enter into agreements as the Board consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, Section 311.010(h) of the Act authorizes the Board subject to the approval of the Town Council of the Town, “to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan”; and

WHEREAS, the Board has concluded and hereby finds that this TIRZ Agreement clearly promotes economic development in the Town of Little Elm, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution and Section 311.010(h) of the Act by assisting in the development and diversification of the economy of the State of Texas and the Town, by eliminating unemployment or underemployment in the State of Texas, and the Town, and by the development or expansion of commerce within the State of Texas, and the Town; and

WHEREAS, the Board has determined that it is in the best interest of TIRZ # 3 to contract with Developer, in order to provide for the efficient and effective implementation of certain aspects of the TIRZ # 3's Project and Financing Plan; and

WHEREAS, TIRZ # 3 desires to reimburse Developer for certain project costs in the amount of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** annually for a six (6) year period (hereinafter defined as the "Grant Amount").

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TIRZ # 3 and the Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this TIRZ Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This TIRZ Agreement shall be effective as of the Effective Date, and shall continue thereafter until **September 30, 2027**, unless terminated sooner under the provisions hereof. This TIRZ Agreement shall be continued in effect for the purposes of paying Developer any monies owed hereunder from the TIRZ # 3 Tax Increment Fund.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this TIRZ Agreement.

- (a) **Act.** The word "Act" means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.
- (b) **Board.** The word "Board" means the Board of Directors of TIRZ # 3 authorized by Section 311.009 of the Act. For the purposes of this TIRZ Agreement, Board's address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.
- (c) **Developer.** The word "Developer" means 100 Hardwicke LLC, a Texas limited liability

company, its successors and assigns, whose corporate address for the purposes of this TIRZ Agreement is 2720 Pine Trail Drive, Little Elm, Texas 75068.

- (d) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this TIRZ Agreement by and between TIRZ # 3 and Developer.
- (e) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (f) **Grant Amount.** The words “Grant Amount” mean a grant equal to a principal amount of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** per year for six (6) years for an aggregate total not to exceed **One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00)**.
- (g) **Property.** The word “Property” means 100 Hardwicke, Little Elm, Texas 75068.
- (h) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of the construction and installation of improvements, consisting of a minimum 5,935 square foot Hurtado Barbecue Restaurant located on the Property, and those other expenses which otherwise meet the definition of “project costs” as that term is defined by Section 311.002(1) of the Act.
- (i) **Term.** The word “Term” means the term of this TIRZ Agreement as specified in Section 2 of this TIRZ Agreement.
- (j) **TIRZ Agreement.** The term “TIRZ Agreement” means this Reimbursement Agreement, together with all exhibits and schedules attached to this TIRZ Agreement, authorized pursuant to Section 311.010 of the Act.
- (k) **TIRZ # 3.** The term “TIRZ # 3” means the tax increment financing reinvestment zone named Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, created by Town Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013, as amended, and as authorized by the Act.
- (l) **TIRZ # 3 Tax Increment Fund.** The term “TIRZ # 3 Tax Increment Fund” means the tax increment fund established pursuant to Section 311.014 of the Act, and Section 6 of Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013.
- (m) **Town.** The word “Town” means the Town of Little Elm, Denton County, Texas, a Texas home-rule municipality. For the purposes of this TIRZ Agreement, Town’s address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.

SECTION 4. OBLIGATIONS OF DEVELOPER.

Developer covenants and agrees while this TIRZ Agreement is in effect the Developer shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the TIRZ # 3 upon request, invoices, receipts, or other documentation of the Qualified Expenditures made to the TIRZ # 3 in a form acceptable to the TIRZ # 3 prior to any reimbursement. Prior to the Effective Date of this Agreement, Developer has previously provided to the TIRZ # 3 invoices, receipts, or other documentation in the minimum amount of **Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00)** and no further invoices, receipts or other documentation shall be required.
- (b) **Job Creation and Retention.** Developer covenants and agrees by the Effective Date and during the Term of this TIRZ Agreement to cause said business or businesses operating at the Property to employ and maintain a minimum of **thirty-five (35)** Full-Time Equivalent Employment Positions working at the Property.
- (c) **Performance.** Developer agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other written agreements by and between the TIRZ # 3 and Developer.

SECTION 5. OBLIGATIONS OF TIRZ # 3.

TIRZ # 3 covenants and agrees while this TIRZ Agreement is in effect TIRZ # 3 shall comply with the following terms and conditions:

- (a) **Payment of Grant Amount.** In consideration of Developer's obligations and expenditures for the Qualified Expenditures, subject to the conditions contained in this TIRZ Agreement, TIRZ # 3 covenants and agrees to pay to Developer each year during the Term on the first business day of September the Grant Amount from current funds in the TIRZ # 3 Tax Increment Fund, as such funds are on deposit in the TIRZ # 3 Tax Increment Fund; provided, however, that notwithstanding any other provisions to the contrary, the obligation to make Grant Amount payments to Developer as described below shall be limited to the Grant Amount for such year. Payments made under this TIRZ Agreement shall be made solely from the TIRZ # 3 Tax Increment Fund, subject to the limitation on payments provided in this TIRZ Agreement. Notwithstanding any other provision to the contrary, in no event shall the monies on deposit in the TIRZ # 3 Tax Increment Fund be used to pay Developer any Grant Amount calculated based on a principal amount that exceeds the actual expenditures of Developer and/or Developer's designee for the Qualified Expenditures under this TIRZ Agreement.
- (b) **Performance.** TIRZ # 3 agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other written agreements by and between TIRZ # 3 and Developer.

SECTION 6. CESSATION OF ADVANCES.

If TIRZ # 3 has made any commitment to provide financial assistance to Developer, whether under this TIRZ Agreement or under any other agreement, TIRZ # 3 shall have no obligation to advance or disburse financial assistance if at the time of such advance or disbursement: (i) Developer is insolvent, has filed a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default by Developer has occurred and remains uncured.

SECTION 7. EVENT OF DEFAULT.

Each of the following shall, after any applicable notice and cure period ends, if any, constitute an “Event of Default” under this TIRZ Agreement:

- (a) **General Event of Default.** Failure of Developer or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in this TIRZ Agreement, or failure of Developer or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and TIRZ # 3 is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to TIRZ # 3 by or on behalf of Developer under this TIRZ Agreement that is false or misleading in any material respect, either now or at the time made or furnished, is an Event of Default.
- (c) **Insolvency.** Developer’s insolvency, appointment of receiver for any part of Developer’s property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the Town of Little Elm, Texas, to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from TIRZ # 3 and/or Denton County Central Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this TIRZ Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this TIRZ Agreement. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, and TIRZ

3 terminates this TIRZ Agreement by written notice of such termination to Developer before the cure of such default, the amounts provided by TIRZ # 3 to Developer pursuant to Section 5(a) of this TIRZ Agreement shall become immediately due and payable by Developer to TIRZ # 3.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this TIRZ Agreement:

- (a) **Amendments.** This TIRZ Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this TIRZ Agreement. No alteration of or amendment to this TIRZ Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This TIRZ Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this TIRZ Agreement shall lie in the state district courts of Denton County, Texas.
- (c) **Assignment.** This TIRZ Agreement may not be assigned without the express written consent of the other party, such consent not to be unreasonably withheld or conditioned.
- (d) **Binding Obligation.** This TIRZ Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ # 3 warrants and represents that the individual executing this TIRZ Agreement on behalf of TIRZ # 3 has full authority to execute this TIRZ Agreement and bind TIRZ # 3 to the same. Developer warrants and represents that the individual executing this TIRZ Agreement on Developer's behalf has full authority to execute this TIRZ Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this TIRZ Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the TIRZ Agreement.
- (f) **Counterparts.** This TIRZ Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Notices.** Any notice or other communication required or permitted by this TIRZ Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic confirmation and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to TIRZ # 3:

Tax Increment Reinvestment Zone Number Three,

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068
Attn: Jennette Espinosa, Executive Director
Telephone: (214) 975-0455

if to Developer:

100 Hardwicke LLC
2720 Pine Trail Drive
Little Elm, Texas 75068
Attn: Richard Pray
Telephone: (951) 515-3087

- (h) **Severability.** The provisions of this TIRZ Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this TIRZ Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the TIRZ Agreement shall be enforced as if the invalid provision had never been included.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this TIRZ Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this TIRZ Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this TIRZ Agreement plus interest, at the rate of six percent (6%), not later than the 120th day after the date the TIRZ # 3 notifies Developer of the violation.

[The Remainder of this Page Intentionally Left Blank]

THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS TIRZ AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS TIRZ AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

TIRZ # 3:

**TAX INCREMENT REINVESTMENT ZONE
NUMBER THREE, TOWN OF LITTLE ELM,
TEXAS,**

By: _____

Curtis Cornelious, Chairperson

Date Signed: _____

STATE OF TEXAS

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COUNTY OF DENTON

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This instrument was acknowledged before me on the ____ day of _____, 2022, by Curtis J. Cornelious, President of the Tax Increment Reinvestment Zone, Number Three, Town of Little Elm, Texas, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, on behalf of said Texas tax increment reinvestment zone.

Notary Public, State of Texas

DEVELOPER:

100 HARDWICKE LLC,
a Texas limited liability company,

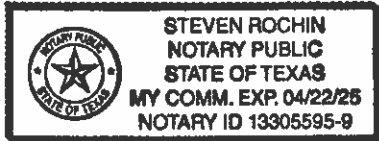
By: Richard Pray
Name: Richard Pray
Title: Manager

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the 8 day of August, 2022, by Richard Pray, Manager of 100 Hardwicke LLC, a Texas limited liability company, on behalf of said Texas company.

Steven Rochin
Notary Public, State of Texas

[NOTARY SEAL]





Date: 08/16/2022
Agenda Item #: 4.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss, and Consider Action to Approve the **Termination of Reimbursement Agreement and Performance Agreement between the Tax Increment Reinvestment Zone Number Three and the Little Elm Economic Development Corporation.**

DESCRIPTION:

On or about April 20, 2021, TIRZ #3 and the Little Elm EDC entered into the original Reimbursement Agreement and Performance Agreement concerning the payment of a reserved amount of **Two Hundred thousand and No/100 Dollars (\$200,00.00)** by TIRZ #3 to Government Capital in the event the Little Elm EDC was unable to make the required payment against their loan.

TIRZ #3 and Little Elm EDC now desire to **terminate and release the parties** of the obligations contained in the Original Agreement by approving this Termination Agreement.

BUDGET IMPACT:

The backup amount of **Two Hundred thousand and No/100 Dollars (\$200,00.00)** can be released from the TIRZ #3 budget.

RECOMMENDED ACTION:

Staff recommends approval of the Termination Agreement as presented.

Attachments

Termination Agreement - TIRZ#3 and EDC

**TERMINATION OF REIMBURSEMENT AGREEMENT
AND PERFORMANCE AGREEMENT**

This Termination of Reimbursement Agreement and Performance Agreement (hereinafter referred to as the “Termination Agreement”) is entered into on the ___ day of _____, 2022, by and between the **TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE, TOWN OF LITTLE ELM, TEXAS**, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as “TIRZ # 3”), and the **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “EDC”).

RECITALS:

WHEREAS, on or about April 20, 2021, TIRZ # 3 and EDC entered into the original Reimbursement Agreement and Performance Agreement (the “Original Agreement”) concerning the payment of a reserve amount of **Two Hundred Thousand and No/100 Dollars (\$200,000.00)** (the “Reserve Amount”) by TIRZ # 3 to Government Capital in the event the EDC was unable to make the required payment; and

WHEREAS, Government Capital agrees to release TIRZ # 3 from the obligation to pay the Reserve Amount; and

WHEREAS, TIRZ # 3 and the EDC now desire to terminate and release the parties of the obligations contained in the Original Agreement by approving this Termination Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, TIRZ # 3 and EDC covenant and agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Termination Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERMINATION OF ORIGINAL AGREEMENT AND ANY AMENDMENTS.

- (a) The Original Agreement and any amendments related thereto by and between TIRZ # 3 and the EDC is hereby terminated.
- (b) TIRZ # 3 and the EDC covenant and agree that each party shall have no further obligation to the other party under the Original Agreement and any amendments related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of Reimbursement Agreement and Performance Agreement on the day and year first above-written.

TIRZ # 3:

**TAX INCREMENT REINVESTMENT ZONE,
NUMBER THREE, TOWN OF LITTLE ELM,
TEXAS,**

a tax increment reinvestment zone created by the
Town of Little Elm, Texas, pursuant to Chapter
311 of the Texas Tax Code,

By: _____

Curtis J. Cornelious, President

Date Signed: _____

STATE OF TEXAS

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COUNTY OF DENTON

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This instrument was acknowledged before me on the ____ day of _____, 2022, by Curtis J. Cornelious, President of the Tax Increment Reinvestment Zone, Number Three, Town of Little Elm, Texas, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, on behalf of said Texas tax increment reinvestment zone.

Notary Public, State of Texas

EDC:

***LITTLE ELM ECONOMIC
DEVELOPMENT CORPORATION,***
a Texas non-profit corporation

By: _____

Ken Eaken, President

Date Signed: _____

STATE OF TEXAS

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COUNTY OF DENTON

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This instrument was acknowledged before me on the ____ day of _____, 2022,
by Ken Eaken, President of the Little Elm Economic Development Corporation, a Texas non-
profit corporation, on behalf of said Texas corporation.

Notary Public, State of Texas

APPROVED BY TOWN:

TOWN:

TOWN OF LITTLE ELM, TEXAS,
a Texas home-rule municipality,

By: _____
Curtis J. Cornelious, Mayor

Date: _____

ATTEST:

Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

Robert F. Brown, Town Attorney



Date: 08/16/2022
Agenda Item #: 5.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Present, Discuss, and Consider Action on **Resolution No. 0816202201T3 a Resolution of the Board of Directors of Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, approving certain project expenditures; providing a severability clause; and providing an effective date.**

DESCRIPTION:

The Tax Increment Reinvestment Zone #3 (TIRZ #3) Board annually adopts their budget by resolution. Resolution 0816202201T3 includes the proposed budget for Fiscal Year 2022-2023. The Proposed Budget has been attached for review by the Board of Directors. All project expenditures provided are authorized expenditures under the Act.

- For the marketing and programming expenses to promote the Town's Lakefront District, in an amount not to exceed \$107,567.
- To transfer out funds for reimbursement of marketing administration located within the Town's Lakefront District, in an amount not to exceed \$100,000.
- To purchase a Christmas tree for the Lawn @ Lakefront™, in an amount not to exceed \$83,000.
- To provide Placemaking and Public Art, in an amount not to exceed \$80,000.
- Sponsorship for July Jubilee Town event, in an amount not to exceed \$50,000.
- To provide Little Elm Park season security, in an amount not to exceed \$40,000.
- To purchase beach sand for Little Elm Park located within the Town's Lakefront District, in an amount not to exceed \$30,000.
- Local Business incentive up to \$150,000 for six years, FY 2022-2023 \$25,000.
- To purchase speakers at Little Elm beach, in an amount not to exceed \$20,000.
- To provide a shuttle service within the Town's Lakefront District, in an amount not to exceed \$17,400.
- To purchase banners to promote the Town's Lakefront District, in an amount not to exceed \$15,000.
- To provide Lakefront building lights maintenance, in an amount not to exceed \$12,100.
- To provide Professional Services for property tax collection analysis and reporting, in an amount not to exceed \$10,000.
- To transfer out funds to the CIP Fund for the Little Elm Park Amphitheater improvements, in an amount not to exceed \$600,000.

BUDGET IMPACT:

Proposed FY 2022-2023 Budget reflects an ending fund balance of \$771,936.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Resolution No. 0816202201T3

TIRZ #3 FY2022-2023 Budget Summary

RESOLUTION TIRZ #3 0816202201T3

A RESOLUTION OF THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS, APPROVING CERTAIN PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Little Elm, Texas (hereinafter referred to as the “Town”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the Town as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on April 15, 2014, pursuant to and as required by the Act, the governing body of the Town (hereinafter referred to as the “Town Council”) approved and adopted by Ordinance No. 1214, a *Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas*, and a *Final Project Plan*, for a tax increment reinvestment zone containing approximately 847 acres of property located within the Town of Little Elm, Texas; and

WHEREAS, the Board of Directors of Reinvestment Zone Number Three, Town of Little Elm, Texas, desires to authorize through the passage of Resolution No. 0816202201T3 on August 16, 2022, certain expenditures (1) for the marketing and programming expenses to promote the Town’s Lakefront District, in an amount not to exceed \$107,567; (2) to transfer out funds for reimbursement of marketing administration located within the Town’s Lakefront District, in an amount not to exceed \$100,000; (3) to purchase a Christmas tree for the Lawn at Lakefront™, in an amount not to exceed \$83,000; (4) to provide Placemaking and Public Art, in an amount not to exceed \$80,000; (5) sponsorship for July Jubilee Town event, in an amount not to exceed \$50,000; (6) to provide Little Elm Park season security, in an amount not to exceed \$40,000; (7) to purchase beach sand for Little Elm Park located within the Town’s Lakefront District, in an amount not to exceed \$30,000; (8) local Business incentive up to \$150,000 for six years, FY 2022-2023 \$25,000; (9) To purchase speakers at Little Elm beach, in an amount not to exceed \$20,000; (10) to provide a shuttle service within the Town’s Lakefront District, in an amount not to exceed \$17,400; (11) to purchase banners to promote the Town’s Lakefront District, in an amount not to exceed \$15,000; (12) to provide Lakefront building lights maintenance, in an amount not to exceed \$12,100; (13) to provide Professional Services for property tax collection analysis and reporting, in an amount not to exceed \$10,000; (14) to transfer out funds to the CIP Fund for the Little Elm Park Amphitheater improvements, in an amount not to exceed \$600,000; all of which the Board found were authorized expenditures under the Act; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE OF THE TOWN OF LITTLE ELM, TEXAS:

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. the Board of Directors of Reinvestment Zone Number Three, Town of Little Elm, Texas, in accordance with the Act, hereby authorize certain (1) for the marketing and programming expenses to promote the Town's Lakefront District, in an amount not to exceed \$107,567; (2) to transfer out funds for reimbursement of marketing administration located within the Town's Lakefront District, in an amount not to exceed \$100,000; (3) to purchase a Christmas tree for the Lawn at Lakefront™, in an amount not to exceed \$83,000; (4) to provide Placemaking and Public Art, in an amount not to exceed \$80,000; (5) sponsorship for July Jubilee Town event, in an amount not to exceed \$50,000; (6) to provide Little Elm Park season security, in an amount not to exceed \$40,000; (7) to purchase beach sand for Little Elm Park located within the Town's Lakefront District, in an amount not to exceed \$30,000; (8) local Business incentive up to \$150,000 for six years, FY 2022-2023 \$25,000; (9) To purchase speakers at Little Elm beach, in an amount not to exceed \$20,000; (10) to provide a shuttle service within the Town's Lakefront District, in an amount not to exceed \$17,400; (11) to purchase banners to promote the Town's Lakefront District, in an amount not to exceed \$15,000; (12) to provide Lakefront building lights maintenance, in an amount not to exceed \$12,100; (13) to provide Professional Services for property tax collection analysis and reporting, in an amount not to exceed \$10,000; (14) to transfer out funds to the CIP Fund for the Little Elm Park Amphitheater improvements, in an amount not to exceed \$600,000.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the Board of Directors hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS, THIS THE 16th DAY OF AUGUST, 2022.

Curtis Cornelious, Chairman

ATTEST:

Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

Town Attorney

**Tax Increment Reinvestment Zone #3
Proposed FY 2022-2023 Budget Summary**

	<u>FY 2022-2023</u>
Beginning Fund Balance	\$ 1,015,542
Revenues:	
Ad Valorem Taxes:	
Town of Little Elm-100% taxes contribution	\$ 666,082
Denton County - 50% taxes contribution	116,572
Sales Taxes	156,807
Interest Earnings	7,000
Transfers In	-
TOTAL REVENUES	\$ 946,461
 Total Funds Available	 \$ 1,962,003
 Expenditures	
Debt Service Fund Payment	\$ -
Website/ Marketing Expenses	107,567
Lakefront Marketing Administration	100,000
Christmas Tree for the Lawn	83,000
Placemaking and Public Art	80,000
July Jubilee Sponsorship	50,000
LE Park seasonal security	40,000
Beach Sand	30,000
Local Business Incentive	25,000
Speakers at Little Elm Beach	20,000
Shuttle Service	17,400
Seasonal Banners	15,000
Lakefront Building Lights Maintenance	12,100
Professional Services-Property Tax Collection Analysis & Reporting	10,000
Transfer out- CIP Fund LE Park Amphitheater Improvements	600,000
 Total Expenditures	 \$ 1,190,067
 NET INCOME(LOSS)/NET CHANGE	 \$ (243,606)
 ENDING FUND BALANCE	 \$ 771,936