

RESOLUTION NO. 23-R-48

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING APPROVING A REQUEST FOR A SCHERTZ MAIN STREET LOCAL FLAVOR ECONOMIC DEVELOPMENT GRANT FOR 820 MAIN STREET.

WHEREAS, the City of Schertz desires to protect, enhance, and preserve the historic resources and landmarks which represent distinctive elements of Schertz' historic, architectural, economic, cultural, and social heritage by providing property owners and incentive for protecting their property; and

WHEREAS, the City of Schertz desires to encourage the attraction of small businesses that will create local charm and help develop a sense of place in and around Main Street; and

WHEREAS, the City of Schertz desires to stabilize and improve property values; and

WHEREAS, the City of Schertz desires to foster civic pride in the beauty and accomplishments of the past, and to promote the use of the historic structures for the culture, education, and general welfare of residents; and

WHEREAS, the City of Schertz desires to strengthen the economy of the city by protecting and enhancing the attractiveness of the Main Street area to residents and visitors, as well as provide support and stimulus to businesses; and

WHEREAS, the City Council approved the Schertz Main Street Local Flavor Economic Development Grant; and

WHEREAS, staff is in support of this program and recommends approval of the grant request for 820 Main for up to \$20,000.

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

Section 1. The City Council hereby approves the Schertz Main Street Local Flavor Economic Development Grant request for 820 Main Street subject to the approved criteria of the program and execution of a funding agreement generally as outlined in Exhibit "A".

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this ____ day of _____, 2023.

CITY OF SCHERTZ, TEXAS

Ralph Gutierrez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

Exhibit "A"

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

**SCHERTZ MAIN STREET LOCAL FLAVOR ECONOMIC DEVELOPMENT PROGRAM
FUNDING AGREEMENT BETWEEN THE CITY OF SCHERTZ, TEXAS AND
KINDFROST, LLC and 1017 HOLDINGS, LLC FOR EXPENDITURE OF LOCAL
FLAVOR GRANT FUNDS**

This Local Flavor Development Program Funding Agreement (AGREEMENT) is made and entered into by and between the City of Schertz, Texas (CITY) and Kindfrost, LLC (the "TENANT") and 1017 Holdings, LLC, (the "OWNER"), collectively referred to as the (ENTITY).

WHEREAS, the TENANT has developed a proposal to make improvements to the site and facade as well as purchase capital equipment, and signage to 820 Main (the "Project"); and

WHEREAS, Section 380.001 of the Texas Local Government Code, as amended, allows the governing body of a municipality to establish and provide for the administration of one or more programs to promote state and local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the Schertz Main Street Local Flavor Economic Development Program is intended to encourage and expansion and attract small businesses that create local charm and help develop a sense of place in and around Main Street, promote commercial development, stabilize and improve property values, foster civic pride, and protect and enhance the attractiveness of the Main Street area to residents and visitors; and

WHEREAS, funding for the Schertz Main Street Local Flavor Economic Development Program will be provided annually through the City's General Fund; and

WHEREAS, the Schertz Main Street Local Flavor Economic Development Program will enhance other city efforts to improve, beautify, and promote economic development in the Main Street area.

WHEREAS, the area around Main Street in Schertz once served as commercial and social hub of the community; and

WHEREAS, the City seeks to improve the image of the area around Main Street through restoration and rehabilitation of structures in the Main Street area to serve as a commercial, social, cultural and tourism hub of the City; and

WHEREAS, the City Council of the City of Schertz desires to provide funds to Kindfrost, LLC (TENANT).

NOW, THEREFORE, it is mutually agreed by and between the CITY and ENTITY as follows:

GENERAL PROVISIONS

Section 1. Purpose. The purpose of this Agreement is to provide funding to the TENANT for the project identified in the attached Exhibit "A" (the "Project"), the intent of which is to promote state and local economic development and to stimulate business and commercial activity in the municipality to encourage and expansion and attract small businesses that create local charm and help develop a sense of place in and around Main Street, promote commercial development, stabilize and improve property values, foster civic pride, and protect and enhance the attractiveness of the Main Street area to residents and visitors.

Section 2. Obligation of the T E N A N T . The TENANT shall use all of the awarded funds provided by the CITY in accordance with Chapter 351 of the Texas Tax Code, the TENANT'S funding application, and the attached Exhibit "A".

Section 3. Reporting Requirements of the TENANT. The TENANT shall deliver a detailed accounting of the expenditures for the Project within thirty (30) days after completion of the Project (the "Post Event Report"). The Post Event Report shall include copies of receipts and other documents establishing the expenditures for the project. The CITY shall not make reimbursements for expenditures where no receipt or invoice is provided. Partial or incomplete reports will not be accepted.

Section 4. Authorization of Payment. Subject to the TENANT'S satisfactory performance and compliance with the terms of this AGREEMENT, the CITY agrees to pay the TENANT up to fifty percent (50%) of the Project. The Project is estimated to be over \$20,000.00 and fifty percent of which, is capped at \$20,000.00 and is the total amount of grant money for which the project is eligible. Work within the signage grant category is capped at \$5,000 and at \$2,500 for capital equipment. Payment(s) will be made within forty-five (45) days of acceptance of the complete Post Event Report. Partial or incomplete reports will not be accepted. Only expenditures that meet Chapter 351 of the Tax Code and this AGREEMENT shall be reimbursed.

Section 5. Appeal Process. Any ENTITY wishing to appeal the decision of the CITY must present their appeal in writing within ten (10) business days of funding denial.

Section 6. Rights. The City of Schertz has the right, at any time, to inspect the books or records of the ENTITY that may relate to performance of this AGREEMENT. The CITY, at its sole expenses, has the right to conduct an audit of the ENTITY or Project.

Section 7. Term. The AGREEMENT shall become effective as of the date entered below. The AGREEMENT shall terminate one year from its effective date or once the terms have been met, whichever occurs first.

Section 8. Indemnification. The ENTITY agrees to defend, indemnify and hold harmless the CITY, its officers, agents and employees, against any and all claims, lawsuits, judgments, cause of action, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, that may arise out of or be occasioned by the

ENTITY's breach of any of the terms or provisions of this AGREEMENT, or by any negligent act or omission of the ENTITY, its officers, agents, servants, employees, contractors, or subcontractors, in the performance of this AGREEMENT; except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of the CITY, its officers, agents, employees or separate contractors, and in the event of joint and concurrent negligence of both the ENTITY and the CITY under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Both parties expressly agree that this AGREEMENT does not assign any responsibility for civil liability to the City of Schertz that may arise by virtue of this AGREEMENT.

Section 9. Termination. A party may terminate this AGREEMENT in whole or in part if the other party fails to comply with a term of the AGREEMENT, including the inability of the ENTITY to conform to any change required by federal, state or local laws or regulations; or for the convenience of either party. The terminating party shall provide written notification to the other party of the decision to terminate this AGREEMENT within thirty (30) days before the effective date of termination. A party may terminate the AGREEMENT for breach of any provision of this AGREEMENT, upon written notice of the breach and the breaching party shall have ten (10) days after receipt of the written notice in which to cure the breach to the satisfaction of the non-breaching party.

Section 10. Notice. All notices required or permitted under this AGREEMENT shall be in writing and shall be delivered in person or mailed as follows:

to the CITY at:

City of Schertz
Attention: City Manager
1400 Schertz Parkway
Schertz, TX 78154
(210) 619-1000

To: Kinderfrost, LLC
Attention: Judy Goldick
820 Main
Schertz, Texas 78154

To: 1017 Holdings, LLC
Attention: Nicholas Marquez
PO Box 284Main
Cibolo, Texas 78108

MISCELLANEOUS

Section 11. Entire Agreement. This AGREEMENT constitutes the entire agreement of the parties regarding the subject matter contained herein. The parties may not modify or amend this AGREEMENT, except by written agreement approved by the governing bodies of each party and duly executed by both parties.

Section 12. Approval. This AGREEMENT has been duly and properly approved by each party's governing body and constitutes a binding obligation on each party.

Section 13. Assignment. Except as otherwise provided in this AGREEMENT, a party may not assign this AGREEMENT or subcontract the performance of services without first obtaining the written consent of the other party.

Section 14. Non-Waiver. A party's failure or delay to exercise right or remedy does not constitute a waiver of the right or remedy. An exercise of a right or remedy under this AGREEMENT does not preclude the exercise of another right or remedy. Rights and remedies under this AGREEMENT are cumulative and are not exclusive of other rights or remedies provided by law.

Section 15. Paragraph Headings. The various paragraph headings are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this AGREEMENT or any section thereof.

Section 16. Attorney fees. In any lawsuit concerning this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees from the nonprevailing party, plus all out-of-pocket expense such as deposition costs, telephone, calls, travel expenses, expert witness fees, court costs, and their reasonable expenses, unless otherwise prohibited by law.

Section 17. Severability. The parties agree that in the event any provision of this AGREEMENT is declared invalid by a court of competent jurisdiction that part of the AGREEMENT is severable and the decree shall not affect the remainder of the AGREEMENT. The remainder of the AGREEMENT shall be in full force and effect.

Section 18. Venue. The parties agree that all disputes that arise of this AGREEMENT are governed by the laws of the State of Texas and venue for all purposes herewith shall be in Milam County, Texas.

Section 19. Certificate of Insurance. The ENTITY agrees to provide a certificate of insurance for liability and worker's compensation insurance or letter of self-insurance on its letterhead indicating its self-insured status before any event awarded funding under this AGREEMENT. The cost of the insurance herein mentioned to be secured and maintained by the ENTITY shall be borne solely by the ENTITY.

IN WITNESS HEREOF, the CITY and ENTITY make and execute this AGREEMENT to be effective this _____ day of _____, 2023.

CITY OF SCHERTZ, TEXAS

City Manager

ATTEST:

City Secretary

Entity

Kinderfrost, LLC

I017 Holdings, LLC

EXHIBIT A

[Describe the project to be performed]

EXHIBIT A

Scope of Work

1. FAÇADE:

- a. Paint exterior of building to match color of 816 Main Street. 3 Sides and trim. Estimated Cost \$4000

2. SITE IMPROVEMENT:

- a. Reinforce decking/flooring in loft area above supply closet where "soft" and nonexistent. Estimated Cost \$360.00
- b. Install interlock commercial over deck in loft area. Est. Cost \$3370.00
- c. Remove existing chain link fencing running horizontally with Main Street and perpendicular to Schertz Parkway. Est. Cost \$550
- d. Remove 2 sides of existing wood panel privacy fencing at the east side of the building. Est. Cost \$600.00
- e. Install decorative aluminum fencing on east side of the building to create an outdoor sitting area. Est. Cost \$4060.00
- f. Install ground cover in sitting area (pea gravel, caliche or other as recommended by city flood manager). Est. Cost \$1050.00
- g. Add tables and chairs to outdoor area. Est. Cost \$2000.00
- h. Install pet waste bag holder in outdoor sitting area. Est. Cost \$380.00
- i. Install 8 foot privacy fencing (double sided for noise mitigation) along south side between sitting area and railroad tracks. Est. Cost \$2000.00

- j. Add 10x10 pad for dumpster relocation. At NE corner of existing chain link fence running parallel with Schertz Parkway. Est. Cost \$1500.00

3. SIGNAGE:

- a. Install signage on North, South and East walls of building. (in accordance with Unified Municipal Code Article 11) Est. Cost \$12000.00
- b. Install sign at outdoor sitting area detailing pet rules. Similar or identical to the signage at the Schertz dog park. Est. Cost \$200.00

4. SYSTEM:

- a. Install insulation at South, West, and North walls of loft area. Est. cost \$2200.00

5. CAPITAL EQUIPMENT:

- a. Purchase new ice cream machines for Frostbite. Est. Cost \$5000.00
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