

**RESOLUTION NO. 1519-16-09-27-0355**

**RESOLUTION OF THE CITY OF PFLUGERVILLE, TEXAS DIRECTING THE CITY ATTORNEY TO PREPARE AN ECONOMIC DEVELOPMENT AGREEMENT IN SUPPORT OF PROJECT HASTUR TO INCENTIVIZE AND PROMOTE COMMERCIAL ECONOMIC DEVELOPMENT WITHIN CITY OF PFLUGERVILLE REINVESTMENT ZONE NUMBER ONE (“FALCON POINTE TIRZ”) BOUNDARIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT APPROVED AS TO FORM BY THE CITY ATTORNEY**

**WHEREAS**, the City Council finds Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code authorize a local government to establish and provide for the administration of one or more programs, for making loans and grants and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality; and,

**WHEREAS**, the City Council finds that pursuant to Chapter 380 of the Texas Local Government Code, the City has adopted an economic development program to promote local economic development and stimulate business and commercial activity within the City limits; and,

**WHEREAS**, the City Council finds that representatives of the City, the property owner of property within Falcon Pointe TIRZ and representatives of a large volume national retailer have negotiated essential terms and conditions related to the accelerated development of commercial property within Falcon Pointe TIRZ; and,

**WHEREAS**, the City Council finds that incentivizing the accelerated commercial retail development of the property to be identified in the agreement in connection with the development of a large volume national retailer will promote local economic development and stimulate business and commercial activity within the City limits; and,

**WHEREAS**, the City Council finds that approval of this Resolution is in the public interest, promotes economic development and furthers the best interests of the City of Pflugerville, Texas

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

- 1) The City Attorney is directed to prepare and negotiate final contractual provisions with the property owner to enter into a Chapter 380 Economic Development Agreement which includes the following principle terms:
  - a. The city awards the property owner (generally referred to as the Mellenbruch Family) or their designated business entity:

- i. An annually paid Sales Tax Refund Incentive calculated as 70% of the new Sales and Use Tax revenues generated from the property identified in the agreement and actually collected by the City during the term of the incentive.
  - ii. The term for the Sales Tax Refund Incentive shall begin on the date the large volume national retailer opens for business (determined as the date of the first sales transaction) and shall expire upon the total incentive limitation being reached, or after 15 years, whichever occurs first.
  - iii. The Sales and Use Tax revenues generated by the large volume national retailer shall be excluded from any calculation of the Sales Tax Refund Incentive.
- b. The City awards an Infrastructure Refund Incentive of one-million dollars (\$1,000,000 USD) to be paid no later than 12/31/2019 for roadway, water utility and wastewater utility improvements previously paid by and constructed by the property owner within the Falcon Pointe TIRZ.
  - i. If necessary to comply with the total incentive limitation provided below, the Infrastructure Refund Incentive shall be reduced to the difference between the total Sales Tax Refund Incentive paid to the property owner pursuant to this agreement and the incentive limitation provided below, at the time payment is due by the City so as not to exceed the total incentive limitation.
- c. All incentives to be paid pursuant to this agreement, in the aggregate, are limited to a total of no more than two-million, four-hundred thousand dollars (\$2,400,000 USD).
- d. The City's ad valorem tax revenue shall not be obligated to pay any incentive provided for in the agreement.
- e. The property owner shall close the real estate contract with the large volume national retailer within 180 days of this agreement.
- f. The property owner shall dedicate to the city within 180 days of this agreement, any roadways and infrastructure for which the property owner is being reimbursed for pursuant to this agreement, if not already dedicated.
- g. The property owner shall diligently and aggressively promote the commercial development of retail businesses within the property identified in the agreement.

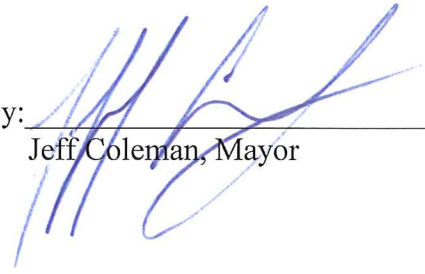
- 2) Upon the completion of a contract that is: approved by the City Attorney as to form (to include the above terms); approved by the property owner; and, executed by the property owner (or designated entity), the City Manager is hereby authorized to execute the agreement on behalf of the City.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE on this 27<sup>th</sup> day of September 2016.

City of Pflugerville, Texas

By: \_\_\_\_\_

Jeff Coleman, Mayor



Attest:



Karen Thompson, City Secretary