1. 6/10/2021 Agenda (PDF)

   Documents:

   06-10-21 AGENDA.PDF

2. 6/10/2021 Agenda Packet (PDF)

   Documents:

   6-10-21 AGENDA PACKET.PDF

CITY OF MARSHALL, TEXAS
REGULAR CITY COUNCIL MEETING
COUNCIL CHAMBERS, CITY HALL, 401 SOUTH ALAMO
THURSDAY, JUNE 10, 2021, 6:00 P.M.

This meeting will be conducted utilizing a video and audio conferencing tool, as well as, a standard conference call. Instructions and direct links to view the meeting or speak during Citizen Comment can be found at www.marshalltexas.net.

****

AGENDA INFORMATION PACKET IS AVAILABLE FOR THE PUBLIC TO REVIEW ON THE CITY'S WEB SITE AFTER 8:00 A.M. ON WEDNESDAY BEFORE THE MEETING AT www.marshalltexas.net

****

1. **CALL TO ORDER AND ROLL CALL**

2. **INVOCATION AND PLEDGES**

3. **CITIZEN COMMENTS**

   Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on an agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens Comments" portion of the meeting meets the requirements of this law and is the public's opportunity to speak on any item on, or not on, the agenda. Those who wish to speak will have three minutes to do so unless additional time has been requested.

4. **ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA**

5. **CONSENT AGENDA**

   The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

   A. Consider approval of the minutes from the May 27, 2021 Regular meeting.

   B. Street Sweeping Activity Report. (Public Works Director)

C. Municipal Court Activity Report. (Finance Director)

D. Consider approval of a temporary contract extension between the City of Marshall and Texas Bank and Trust. (Finance Director)

E. Consider approval of authorizing the Cradle of Entrepreneurship Board to govern Cradle of Entrepreneurship program activities. (Community & Economic Development Director)

6. **PRESENTATION & PROCLAMATION**

A. Presentation of a proclamation declaring June 10 – 13, 2021 as "Square Dance Week" in the City of Marshall, Texas. (Mayor Pro-Tem)

B. Presentation to outgoing Planning & Zoning Commissioner. (Mayor Pro-Tem)

7. **PUBLIC HEARING**

A. Conduct a public hearing regarding the Community Development Block Grant 2021 Program Year Annual Action Plan. (Community & Economic Development Assistant Director)

8. **ORDINANCE**

A. Consider and approve an ordinance of the City Council of the City of Marshall approving a project plan and financing plan for Tax Increment Reinvestment Zone Number One. (Community & Economic Development Director)

9. **CITY MANAGER REPORTS AND REQUESTS FOR CITY COUNCIL CONSIDERATION**

A. Consider approval to award a contract for the 2021 Street Improvement Program. (Public Works Director)

B. Consider approval of appointment and reappointments to the Planning & Zoning Commission and the Main Street Board. (Community & Economic Development Assistant Director)

C. Consider approval of the Community Development Block Grant Program Year 2021. (Community & Economic Development Assistant Director)

D. Consider approval of Small Business Grant Fund Applications. (Community & Economic Development Director)

E. Consider approval of Annexation, Service, and Development Agreement between the City of Marshall, Texas, and Piney Land I, LLC. (City Manager)

F. Consider approval of an expenditure in excess of $50,000 as an incentive for Project Lit, also known as Piney Land I, LLC. (MEDCO)

10. **CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA**

11. **ADJOURNMENT**

Posted: June 7, 2021
5:00 p.m.
N. Smith

This meeting will be conducted in accordance with the Americans with Disabilities Act. Requests for sign interpretive services will be available with at least 72-hour notice prior to the meeting. To make arrangements for these services, please call the City Secretary's Office at 903-935-4446.

CITY OF MARSHALL, TEXAS
REGULAR CITY COUNCIL MEETING
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   Page 1

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   Page 2

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   Page 3

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   Page 4

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Page 5

B. Street Sweeping Activity Report. (Public Works Director)
Page 11

C. Municipal Court Activity Report. (Finance Director)
Page 14

D. Consider approval of a temporary contract extension between the City of Marshall and Texas Bank and Trust. (Finance Director)
Page 20

E. Consider approval of authorizing the Cradle of Entrepreneurship Board to govern Cradle of Entrepreneurship program activities. (Community & Economic Development Director)
Page 23

6. **<u>PRESENTATION & PROCLAMATION</u>**

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Page 25

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Page 27

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Page 29

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Page 32

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A. Consider approval to award a contract for the 2021 Street Improvement Program. (Public Works Director)
Page 66

B. Consider approval of appointment and reappointments to the Planning & Zoning Commission and the Main Street Board. (Community & Economic Development Assistant Director)
Page 71

C. Consider approval of the Community Development Block Grant Program Year 2021. (Community & Economic Development Assistant Director)
Page 74

D. Consider approval of Small Business Grant Fund Applications. (Community & Economic Development Director)
Page 77

E. Consider approval of Annexation, Service, and Development Agreement between the City of Marshall, Texas, and Piney Land I, LLC. (City Manager)
Page 81

F. Consider approval of an expenditure in excess of $50,000 as an incentive for Project Lit, also known as Piney Land I, LLC. (MEDCO)
Page 95

10. **CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA**
Page 101

11. **ADJOURNMENT**
Page 102

Posted: June 7, 2021
5:00 p.m.
N. Smith

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ITEM 1

CALL TO ORDER AND ROLL CALL

ITEM 2

INVOCATION AND PLEDGES

ITEM 3

CITIZEN COMMENTS

ITEM 4

ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA

ITEM 5A

CONSENT AGENDA

CONSIDER APPROVAL OF THE MINUTES FROM THE MAY 27, 2021 REGULAR MEETING

MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF MARSHALL
THURSDAY, MAY 27, 2021
6:00 PM

Mayor Amy Ware called the Regular meeting to order in the Council Chambers, City Hall at 6:00 p.m.

PRESENT:

MAYOR: Amy Ware, District 4

COUNCIL MEMBERS:

Marvin Bonner, District 1	Leo Morris, District 2
Jennifer Truelove, District 3	Vernia Calhoun, District 5
Amanda Abraham, District 6	Micah Fenton, District 7

ADMINISTRATIVE STAFF PRESENT:

Mark Rohr, City Manager	Cliff Carruth, Police Chief
Scott Rectenwald, Acting City Attorney	Reggie Cooper, Fire Chief

Randy Pritchard, Support Services Superintendent
Dawn Jones, Finance Director
Chris Miles, Assistant Public Works Director
Mallori James, Tourism & Cultural Arts Director
Jasmine Rios, Communications Coordinator
Fabio Angell, Community & Economic Development Director
Nikki Smith, City Secretary/Payroll Accountant
Veronique Ramirez, Main Street Manager
Christol Hall, Human Resources Manager

INVOCATION & PLEDGE: Councilmember Bonner

122. **CITIZEN COMMENTS**

Reba Godfrey, 509 Wesson, spoke regarding the condition of streets in her area and asked for them to be paved.

Tom McClurg, Housing Authority, spoke regarding the PILOT Program and provided a copy of the annual report to the Council.

Ella Flowers, 1300 Norwood, spoke regarding sewage backup in her yard.

Dr. Blair Blackburn, 701 Harvey Dr., ETBU President, spoke in support of the ordinance regulating the speed on FM 1997.

Kenneth Moon, 2500 University, spoke regarding flooding issues, erosion and sewage issues on Elm and Sanford Streets.

Mark Rohr, City Manager, addressed Mr. Moon’s concerns explaining the plan in place for infrastructure improvements.

Jerry Cargill, 16877 Hwy 80 E, thank the Council for their work on the adoption center.

123. **ITEMS TO BE WITHDRAWN FROM CONSENT AGENDA**

Items B and G were withdrawn from the Consent Agenda.

124. **CONSENT AGENDA**

Councilmember Truelove made a motion to approve the Consent Agenda. Councilmember Calhoun seconded the motion, which passed with a vote of 7:0.

A. Consider approval of the minutes from the May 13, 2021 Regular meeting.

C. Fire Department Activity Report. (Fire Chief)

D. Police Department Activity Report. (Police Chief)

E. Community & Economic Development Activity Report. (Community & Economic Development Director)

F. Monthly Financial Report. (Finance Director)

125. **PUBLIC HEARING AND ORDINANCE**

A. Conduct a public hearing and consider an ordinance amending the official zoning map from C-3 (General Business), and A&E (Agriculture and Estate) to MF (Multi-Family) located in the 2500 Block of East End Boulevard South.

Fabio Angell, Community & Economic Development Director, asked for approval of an ordinance amending the official zoning map from C-3 (General Business), and A&E (Agriculture and Estate) to MF (Multi-Family). He stated the applicant requested the zone change to build a housing complex. The Planning & Zoning Commission approved the change by a vote of 5:0.

Council members asked questions and discussed.

Michael Fogel, Trinity Housing Development, provided information for the Marshall project.

Council members engaged in further discussion.

Mayor Ware opened the public hearing.

No one came forward to speak.

Mayor Ware closed the public hearing.

Councilmember Truelove made a motion to approve an ordinance amending the official zoning map from C-3 (General Business), and A&E (Agriculture and Estate) to MF (Multi-Family). Councilmember Abraham seconded the motion, which passed with a vote of 7:0.

PRESENTATION & PROCLAMATIONS

126. PRESENTATION OF A PROCLAMATION DECLARING MAY 31, 2021 AS "WORLD NO TOBACCO DAY" IN THE CITY OF MARSHALL, TEXAS.

Mayor Ware read a proclamation declaring May 31, 2021 as "World No Tobacco Day" in the City of Marshall, Texas.

ORDINANCE

127. CONSIDER APPROVAL OF AN AMENDMENT TO THE EXISTING NO PARKING ORDINANCE.

Cliff Carruth, Police Chief, asked for approval of an amendment to the existing No Parking Ordinance. He stated this amendment was requested by the Marshall Independent School District, to be effective at the Early Childhood Center on school days between the hours of 7:30 a.m. and 4:00 p.m.

Councilmember Abraham made a motion to approve an amendment to the existing No Parking Ordinance. Councilmember Fenton seconded the motion, which passed with a vote of 7:0.

128. CONSIDER APPROVAL OF ON AN ORDINANCE REGULATING THE SPEED OF MOTOR VEHICLES UPON A CERTAIN SECTION OF FM 1997 WITHIN THE CORPORATE LIMITS OF THE CITY OF MARSHALL, AUTHORIZING THE TEXAS DEPARTMENT OF TRANSPORTATION TO ERECT SIGNS, PRESCRIBING PENALTIES, REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING A SAVINGS CLAUSE; AND DECLARING AN EMERGENCY PASSAGE.

Cliff Carruth asked for approval of an ordinance requested by TxDOT regulating the speed of motor vehicles upon a certain section of FM 1997 within the corporate limits of the City of Marshall, Texas. He stated the ordinance will extend the 35 MPH & 45 MPH zones, with no changes to the 55 MPH zone.

Council members asked questions and discussed.

Councilmember Fenton made a motion to approve an ordinance regulating the speed of motor vehicles upon a certain section of FM 997 within the corporate limits of the City of Marshall, authorizing the Texas Department of Transportation to erect signs, prescribing penalties, repealing all ordinances in conflict herewith and providing a savings clause; and declaring an emergency passage. Councilmember Bonner seconded the motion, which passed with a vote of 7:0.

129. CONSIDER APPROVAL OF AN ORDINANCE DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY AS TAX INCREMENT REINVESTMENT ZONE NUMBER ONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A TERMINATION DATE FOR THE ZONE; PROVIDING FOR IMMEDIATE EFFECTIVENESS OF THE ZONE.

Fabio Angell, asked for approval of an ordinance designating a geographic area within the City as Tax Increment Reinvestment Zone Number One. He explained the five step process for the Tax Increment Reinvestment Zone and stated this is the third step.

Councilmember Calhoun made a motion to approve an ordinance designating a geographic area within the City as Tax Increment Reinvestment Zone Number One. Councilmember Fenton seconded the motion, which passed with a vote of 7:0.

<u>CITY MANAGER REPORTS AND REQUESTS FOR CITY COUNCIL CONSIDERATION</u>

130. <u>PRESENTATION OF THE SEMI-ANNUAL REPORT BY THE MARSHALL ECONOMIC DEVELOPMENT CORPORATION.</u>

Rush Harris, Executive Director of MEDCO, presented the semi-annual report for Marshall Economic Development Corporation.

Commissioners asked questions and discussed.

131. <u>PRESENTATION AND DISCUSSION ON REMAINING ADOPTION CENTER EXPENSES.</u>

Mark Rohr, provided information regarding the remaining Adoption Center expenses. He stated completion of the project is close.

Cliff Carruth provided information on needed furniture, fixtures and equipment for the building.

Council members engaged in discussion with City Staff regarding this item.

Councilmember Truelove made a motion to approve expenditures not to exceed $65,000 to complete the shelter including FF&E. Councilmember Abraham seconded the motion.

Council engaged in further discussion regarding this item.

This item passed with the following vote:

Ayes: 6, Mayor Ware, Council members Truelove, Abraham, Morris, Bonner and Fenton
Nays: 1, Councilmember Calhoun

132. <u>CONSIDER APPROVAL OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF MARSHALL AND THE HOUSING AUTHORITY DEFINING THEIR RESPECTIVE ROLES, ADDRESSING FUTURE PAYMENT IN LIEU OF TAXES PAYMENTS, AND REITERATING THE COUNCIL’S PREVIOUS RESOLUTION THAT NO PILOT TAXES ARE DUE FOR THE YEARS PRIOR TO DECEMBER 31, 2020.</u>

Scott Rectenwald, Acting City Attorney, asked for approval of an Interlocal Agreement which sets out the nature of the parties’ relationship and their respective roles. The agreement also addresses future Payment In Lieu of Taxes Payments going forward, and reiterates the Council’s previous resolution that no PILOT taxes are due for the years prior to December 31, 2020.

Council members asked questions and discussed.

Councilmember Truelove made a motion to approve an Interlocal Agreement between the City of Marshall and the Housing Authority. Councilmember Abraham seconded the motion, which passed with a vote of 7:0.

133. **<u>CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA</u>**

B. Public Works Activity Report (Public Works Director)

Councilmember Bonner stated his reasons for withdrawing this item.

Chris Miles, Assistance Public Works Director, provided information regarding this item.
Council members asked questions and discussed.

Councilmember Calhoun made a motion to approve Item 5B of the Consent Agenda. Councilmember Fenton seconded the motion, which passed with a vote of 7:0.

G. Consider approval of a temporary contract extension between the City of Marshall and Texas Bank and Trust. (Finance Director)

Councilmember Morris stated his reasons for withdrawing this item.

Dawn Jones, Finance Director provided information regarding this item.

Councilmember Abraham made a motion to postpone this item to the next meeting. Councilmember Truelove seconded the motion, which passed with a vote of 7:0.

134. **ADJOURNMENT**

Councilmember Calhoun made a motion for adjournment. Councilmember Abraham seconded the motion, which passed with a vote of 7:0.

APPROVED:

____
Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

____
City Secretary

Ordinances: O-21-09
O-21-10
O-21-11
O-21-12

ITEM 5B

CONSENT AGENDA

STREET SWEEPING ACTIVITY REPORT

City of MARSHALL TEXAS

TO: Members of the City Council

FROM: Eric Powell, PE ELP
Director of Public Works/City Engineer

DATE: June 2, 2021

SUBJECT: Street Sweeping Activity Report for May 2021

The Street Sweeping Activity Report for the month of May 2021 is attached for your review.

Please be advised that due to inclement weather during the month of May, many of the regularly scheduled areas were unable to be completed.

STREET SWEEPING ACTIVITY REPORT
MAY 2021

STREET NAME	NUMBER OF TIMES SWEPT
Albemarle Rd.	1
Arlington Rd.	1
Austin St. (Downtown)	5
Bolivar St. (Downtown)	5
Burleson St. (Downtown)	5
Buena Vista Dr.	1
Carters Ferry Rd.	1
Courthouse Square	5
Emory St.	1
Fisher Dr.	1
Guimon Rd.	1
Rosborough Springs Rd.	1
Rusk St. (Downtown)	5
Sanford St.	1
Shadywood Rd.	1
University Ave.	1
N. Washington Ave. (Downtown)	5
Wellington St. (Downtown)	5

NUMBER OF STREETS/AREAS SWEPT IN MAY: 18

June 1, 2021

ITEM 5C

CONSENT AGENDA

MUNICIPAL COURT ACTIVITY REPORT

CITY OF MARSHALL

Monthly Report For May 2021

Cases Filed

STEP Site	Traffic	Penal	City Ordinance	Parking	Other	Total
0	85	17	9	3	5	119

Financial

State Costs	City Costs	Fines	Tech Fund	Bld Security	Total
$12,551.78	$10,974.06	$8,868.38	$1,322.80	$9,755.06	$43,472.08

Trials/Hearings

Jury	Bench	Appealed	Total
0	142	0	142

Warrants

Issued	Recalled	Served	Fees Collected	Amount Collected	Outstanding
11	65	52	$3,264.07	$15,100.24	$2,650,740

Dispositions

Paid	Time Served	Dismissed	Appealed	Total
132	48	69	0	265

Office of Court Administration – Austin, TX

- OCA monthly report data compiled from the **October 2019** report (submitted **11/19/2019**) revealed the following data:

  Active cases: 1,338
  Inactive cases: 4,962

- OCA monthly report data compiled from the **November 2019** report (**12/19/2019**) revealed the following data:

  Active cases: 1,187
  Inactive cases: 5,147

- OCA monthly report data compiled from the **December2019** report (submitted **01/21/2020**) revealed the following data:

  Active cases: 1,071
  Inactive cases: 5,193

- OCA monthly report data compiled from the **January 2020** report (submitted **02/20/2020**) revealed the following data:

  Active cases: 947
  Inactive cases: 5,259

- OCA monthly report data compiled from the **February 2020** report (submitted **03/17/2020**) revealed the following data:

  Active cases: 847
  Inactive cases: 5,292

- OCA monthly report data compiled from the **March 2020** report (submitted **04/21/2020**) revealed the following data:

  Active cases: 812
  Inactive cases: 5,254

- OCA monthly report data compiled from the **April 2020** report (submitted **05/20/2020**) revealed the following data:

  Active cases: 619
  Inactive cases: 5,291

- OCA monthly report data compiled from the **May2020** report (submitted **06/17/2020**) revealed the following data:

  Active cases: 628
  Inactive cases: 5,347

- OCA monthly report data compiled from the **June 2020** report (submitted **07/15/2020**) revealed the following data:

  Active cases: 740
  Inactive cases: 5,297

- OCA monthly report data compiled from the **July 2020** report (submitted **08/20/2020**) revealed the following data:

  Active cases: 794
  Inactive cases: 5,248

- OCA monthly report data compiled from the **August 2020** report (submitted **09/16/2020**) revealed the following data:

  Active cases: 1,001
  Inactive cases: 5,221

- OCA monthly report data compiled from the **September 2020** report (submitted **10/19/2020**) revealed the following data:

  Active cases: 1,014
  Inactive cases: 5,272

- OCA monthly report data compiled from the **October 2020** report (submitted **11/12/2020**) revealed the following data:

  Active cases: 1,004
  Inactive cases: 5,230

- OCA monthly report data compiled from the **November 2020** report (submitted **12/15/2020**) revealed the following data:

  Active cases: 883
  Inactive cases: 5,346

- OCA monthly report data compiled from the **December 2020** report (submitted **01/20/2021**) revealed the following data:

  Active cases: 891
  Inactive cases: 5,310

- OCA monthly report data compiled from the **January 2021** report (submitted **02/23/2021**) revealed the following data:

  Active cases: 769
  Inactive cases: 5386

- OCA monthly report data compiled from the **February 2021** report (submitted **03/15/2021**) revealed the following data:

  Active cases: 746
  Inactive cases: 5414

- OCA monthly report data compiled from the **March 2021** report (submitted **04/13/2021**) revealed the following data:

  Active cases: 717
  Inactive cases: 5380

- OCA monthly report data compiled from the **April 2021** report (submitted **05/13/2021**) revealed the following data:

  Active cases: 705
  Inactive cases: 5319

Update on Municipal Court recent plan to reduce inactive cases **May 2021 Report**

Officer Jose Burciaga recently assumed duties as Court Services Officer. Officer Burciaga has begun a daily contact schedule for defendants with outstanding warrants and has had success in resolving some of these outstanding warrants. He assumed the community service program as part of his duties and will be providing information regarding it.

I am working with our Judge, prosecutor and our LT operating system regarding fees to be reduced or eliminated during an amnesty period. This will allow defendants that come in-person to the Municipal Court and pay warrants in full to have certain fees waived or reduced therefore making it easier to resolve cases. This should be in effect in the next 30 days for a specific time frame.

Leland J Benoit

Municipal Court Administrator

ITEM 5D

CONSENT AGENDA

CONSIDER APPROVAL OF A TEMPORARY CONTRACT EXTENSION BETWEEN THE CITY OF MARSHALL AND TEXAS BANK AND TRUST

City of MARSHALL TEXAS

DEPARTMENT OF THE FINANCE

MEMORANDUM

To: Mark Rohr, City Manager

From: Dawn I. Jones, Finance Director

cc: Nikki Smith, City Secretary

Date: 6/2/2021

Re: Depository Contract Extension

Attached is a Contract Extension Agreement for Texas Bank and Trust. The previous contract is will expire on May 31, 2021. This Contract extends the Original Depository Contract for a temporary period ending December 31, 2021. All terms and conditions of the Original Contract remain unchanged. I recommend approval of this Contract Extension.

Contract Extension Agreement

This CONTRACT EXTENSION AGREEMENT ("Extension") is dated as of May, 27, 2021 (the "Effective Date"), by and between the City of Marshall, located at 401 S. Alamo, Marshall, Texas 75670 and Texas Bank and Trust, located at P.O. Box 3188, Longview, Texas 75606 (collectively, the "Parties").

WHEREAS the Parties entered into a Depository Agreement RFP 2017 on June 1, 2017 (the "Original Contract").

WHEREAS the Parties hereby agree to extend the term of the Original Contract in accordance with the terms of the Original Contract as well as the terms provided herein.

In consideration of the mutual covenants contained herein, each of the City of Marshall and Texas Bank and Trust mutually covenant and agree as follows.

- There was a second contract extension with a period dating May 31,2020 and ending May 31, 2021.
- The parties agree to extend the Original Contract for an additional temporary period not to exceed 7 months, which will begin immediately upon the expiration of the original two year extension period dated May 31, 2021 and will end on December 31,2021.
- This Extension binds and benefits both Parties and any successors or assigns. This document, including the attached Original Contract, is the entire agreement between the Parties.

All other terms and conditions of the Original Contract remain unchanged.

This Agreement shall be signed on the behalf of the City of Marshall by Mark Rohr, and on behalf of Texas Bank and Trust by BRENDA BROWN.

City of Marshall	**Texas Bank and Trust**
By__________	By__________
Name Mark Rohr	Name BRENDA BROWN
Title City Manager	Title PRESIDENT BRANCH MANAGER

Acknowledgement

Acknowledged before me in __________ County, Texas, on __________, 20___, by ____________________, Chairman of the City Commission named in the preceding document, for the City.

____

Signature of Notary

(SEAL)

Notary Public in and for __________
County, Texas

ITEM 5E

CONSENT AGENDA

CONSIDER APPROVAL OF AUTHORIZING THE CRADLE OF ENTREPRENEURSHIP BOARD TO GOVERN CRADLE OF ENTREPRENEURSHIP PROGRAM ACTIVITIES

City of MARSHALL TEXAS

TO: Mark Rohr, City Manager

FROM: Fabio Angell, Director
Community and Economic Development

DATE: June 10, 2021

SUBJECT: Appointment of Members to the City's new "Cradle of Entrepreneurship Board"

City staff would like to ask City Council to consider for appointment the following community leaders:

Ms. Stacey Splawn, Mr. Rush Harris, Mr. Jerry Cargill, Mr. Alan Loudermilk, Mr. JC Kester, and city staff Fabio E. Angell, Director of Community and Economic Development.

City Council established the Cradle of Entrepreneurship Program and Fund on April 22th with a $50,000 allocation designed to assist start-ups in our City. This Board will be duly authorized to govern the activities of said program.

Since December, 2020, the members above mentioned have been part of this design process on an informal basis. Appointment to this new Board recognizes the effort and valuable contribution of each of these members over the past 6 months.

As you know, the key outcome of this program is to develop a vibrant ecosystem of entrepreneurship in the City of Marshal; one that is constantly evolving, transforming, growing and creating jobs.

In the end, this will grow the City's tax base.

ITEM 6A

PRESENTATION & PROCLAMATION

PRESENTATION OF A PROCLAMATION DECLARING JUNE 10 – 13, 2021 AS "SQUARE DANCE WEEK" IN THE CITY OF MARSHALL, TEXAS

PROCLAMATION

WHEREAS, Texas Federation of Square and Round Dancers Week promotes entertainment and exercise through square dancing, round dancing, clogging, contra and line dancing; and

WHEREAS, The social interaction and formation of lasting friendships are an integral part of this federation, as their members initiate family oriented activities that promote physical and mental health; and

WHEREAS, Each year the federation presented scholarships to teen dancers who will be attending college and also hold charity dances to benefit organizations in our communities.

NOW, THEREFORE, I, Amy Ware, Mayor of the City of Marshall, Texas and acting on behalf of the Marshall City Council, do hereby proclaim the week of June 10-13, 2021 as:

TEXAS FEDERATION OF SQUARE AND ROUND DANCERS WEEK

Amy Ware, Mayor
City of Marshall, Texas

ITEM 6B

PRESENTATION & PROCLAMATION

PRESENTATION TO OUTGOING PLANNING & ZONING COMMISSIONER

City of MARSHALL TEXAS

TO: Members of the City Council

FROM: Fabio Angell, Director of Community & Economic Development

DATE: June 10, 2021

SUBJECT: Presentation to Planning & Zoning Commissioner

Background

The Planning and Zoning Commission hears and makes recommendations on requests for zoning changes and special use permits. This commission also reviews and approves subdivision plats in the city limits and within one mile of the city limits. The term of service on this board is three years, beginning on June 1 after the appointment is made. A member can serve a maximum of two consecutive full terms.

Mr. Colin Brady has served the maximum consecutive term of six years in volunteer service to the City of Marshall. Mr. Brady has served as a Chair and member of the Commission.

Summary of Request

Tonight's agenda item calls for Mayor Amy Ware to present of a certificate and gift of appreciation to Mr. Colin Brady for his volunteer service on the Planning & Zoning Commission.

ITEM 7A

PUBLIC HEARING

CONDUCT A PUBLIC HEARING REGARDING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2021 PROGRAM YEAR ANNUAL ACTION PLAN

City of MARSHALL TEXAS

TO: Members of the City Council

FROM: Fabio Angell, Director of Community & Economic Development

DATE: June 1, 2021

SUBJECT: Conduct a Public Hearing for Community Development Block Grant Plan Year 2021

Background

On March 17th, 2021, the City of Marshall Community Development Advisory Council conducted a Public Hearing regarding the proposed Annual Action Plan (AAP) for Community Development Block Grant (CDBG) for the upcoming Plan Year 2021. The Board approved the Annual Action Plan unanimously and submitted the plan to Council. On April 8, 2021, the Marshall City Council held a Public Hearing with no one coming forward with a comment or question. City Council approved the Annual Action Plan based on a funding award of $349,537.

On May 15, 2021, City staff received notification from the United States Department of Housing & Urban Development (HUD) of an additional allocation of 1.5% ($5,151). This allocation was due to an error in formula calculations by the Office of Community Planning and Development (CPD). The City of Marshall's new funding award for PY2021 will be $354,688.

On May 30, 2021, the Notice of Public Hearing was published for the City Council meeting on June 10, 2021. City staff has not received any comments or questions regarding the proposed modification 2021 Action Plan.

Summary of Request

Tonight's agenda item calls for a Public Hearing for the Community Development Block Grant Program Year 2021.

	Proposed PY2021 Annual Action Plan	Estimated 2020 Carry-Over	TOTAL Available for PY2021
Total Proposed by HUD	**354,688.00**	**30,881.00**	**385,569.00**

	Proposed PY2021 Budget By Category	Subtotal	TOTAL Available for PY2021
ADMINISTRATION (Maximum 20%)	$69,907.00	**69,907.00**	
OTHER SERVICES			
Housing Rehab	$100,000.00		
Housing & Blight Removal	$73,000.00		
Code Enforcement	$68,000.00		
Operation Paint The Town	$12,231.00		
Improvement Program	$10,000.00		
Subtotal		**$263,231.00**	
PUBLIC SERVICES (Maximum 15%)			
Boys & Girls Club of the Big Pines	$16,250.00		
Marshall – Harrison County Literacy Council	$10,000.00		
Mission Marshall Food Bank	$12,000.00		
Operation Clean Up	$13,971.00		
Financial Empowerment Initiative	$210.00		
Subtotal		**$52,431.00**	
Total Available PY2021			**$385,569.00**

ITEM 8A

ORDINANCE

CONSIDER AND APPROVE AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARSHALL APPROVING A PROJECT PLAN AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE

TO: Mark Rohr, City Manager

FROM: Fabio Angell, Director
Community and Economic Development

DATE: June 10th, 2021

SUBJECT: Consider and approve an ordinance of the city council of the City of Marshall approving a project plan and financing plan for Tax Increment Reinvestment Zone Number One: The Banjo Zone

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City staff would like to ask City Council to consider and approve an ordinance approving the project plan and the financing plan for the City's new Tax Increment Reinvestment Zone (TIRZ) along with the attached by-laws that will govern the TIRZ.

As you know, the proposed TIRZ plan for the Original Townsite and adjacent properties seeks to promote development and redevelopment. This zone involves an area of about 157 acres.

This TIF mechanism will raise money in the form of "increment tax" revenues over the next 15 years so the City can pay for "reinvestment" in infrastructure projects deemed necessary.

The proposal is to create a TIF area better known as a Tax Increment Reinvestment Zone (TIRZ). Any "tax increments" accrued over and above a tax base at Year 0 over the following 15 years of the life of the TIF will be captured into a TIF Fund. In turn, these monies will be used for "reinvestment" purposes. Namely, to fund the infrastructure projects needed is this proposed "Tax Increment Reinvestment" (aka TIRZ) Zone. Hence, its name.

TIFs are used by city governments to finance such projects by pointing to the tax revenue that will accrue once said projects are completed. Statute allows City Council to create such a zone upon determining that development or redevelopment, in a particular blighted area in need of economic revitalization, would not occur solely through private investment in the reasonable foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone.

It is estimated that these projects will lead businesses to set up shop inside the Zone, opening offices, restaurants and hotels, as well as adding housing. The projections call for the City to collect plenty of revenue from the new businesses that arise.

ORDINANCE NO. __________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARSHALL APPROVING A PROJECT PLAN AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE

WHEREAS, the City of Marshall, Texas (the “City”) has created Reinvestment Zone Number One, City of Marshall, Texas (the "Zone") on May 27, 2021; and

WHEREAS, the City Council (the “City Council”) of the City approved a Preliminary Project and Financing Plan for the Zone which were approved by the City Council on May 27, 2021; and

WHEREAS, the City Council adopted “An Ordinance of the City Council of the City of Marshall, Designating a Geographic Area Within the City as Tax Increment Reinvestment Zone Number One; Describing the Boundaries of the Zone; Creating a Board of Directors for the Zone; Establishing a Tax Increment Fund for the Zone; Containing Findings Related to the Creation of the Zone; Providing a Termination Date for the Zone; Providing for Immediate Effectiveness of the Zone”; and

WHEREAS, the Board of Directors of the Zone approved the final Project and Financing Plan for the Zone; and

WHEREAS, the Board of Directors of the Zone has submitted its approved Bylaws to this City Council; and

WHEREAS, this City Council has reviewed the Project and Financing Plan and has found and determined that the projects set forth in the Project and Financing Plan will provide infrastructure and facilities that will enhance and promote the development and redevelopment of the Zone and will enhance property values in the Zone;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARSHALL, TEXAS:

Section 1. The City Council finds that all matters stated in the preamble of this ordinance are true and correct and are incorporated into the body of this ordinance.

Section 2. The Project and Financing Plan (attached hereto as Exhibit A) in the form and substance attached hereto and incorporated herein, is hereby found to be feasible and is approved.

Section 3. The Bylaws of the Board of Directors attached hereto and incorporated herein, are approved.

Section 4. This ordinance is effective on the date of passage by the City Council.

PASSED, APPROVED AND ADOPTED ON JUNE 10, 2021.

AYES: ____
NOES: ____
ABSTAINED: ____

____
CHAIRMAN OF THE COMMISSION OF THE CITY OF MARSHALL

ATTEST:

____
CITY SECRETARY

{SEAL}

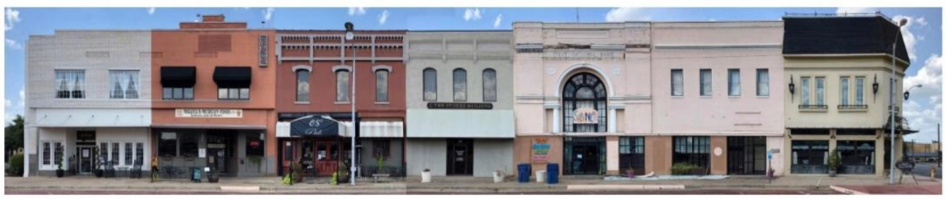
EXHIBIT A

Project and Financing Plan
Reinvestment Zone Number One, City of Marshall, Texas
(Tax Increment Reinvestment Zone)

(see attached)

Houston Street Streetscape Improvements:

- Expanded sidewalk with brick accents
- Variety of seating options
- Trees and plantings
- Historic style pedestrian lights with hanging flower baskets
- Shade umbrellas
- Flower pots



City of MARSHALL TEXAS

EAST HOUSTON STREET STOREFRONT STREETSCAPE

Downtown

Tax Increment Reinvestment Zone, City of Marshall, Texas

Preliminary Project & Financing Plan

Table of Contents

May 13rd, 2021

INTRODUCTION

Authority and Purpose. The City of Marshall, Texas, a Texas home-rule municipality (the "City"), has the authority under Chapter 311, Texas Tax Code, as amended (the "Act") to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction ("ETJ") of the City as a tax increment reinvestment zone to promote development or redevelopment of the area. The City Council (the "City Council") may create such a zone upon determining that development or redevelopment would not occur solely through private investment in the reasonable foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone.

The City has created its Tax Increment Reinvest Zone (the "Zone") as described in this Project and Financing Plan (the "Plan"). The purpose of the Zone is to facilitate development and redevelopment of public improvements by financing the costs of public works, public improvements including maintenance and upkeep programs, and other redevelopment projects benefiting the Zone.

There continues to be a need for economic incentives to attract development and redevelopment in the Zone for the purpose of providing long-term economic benefits including increased real property values, increased sales and use tax, and increased job opportunities for residents of the City. This Plan is intended as a guide for the City to implement the public works, public improvements, programs and other redevelopment projects so that the Zone will be developed and redeveloped to take full advantage of the opportunity to bring to the City a substantially increased tax base and job opportunities for its citizens.

Ultimately, the goal for the Zone is to encourage the development and redevelopment of downtown Marshall and adjoining areas into a mixed use, pedestrian oriented-environment consistent with the goals of the City's Downtown Redevelopment Plan and the City's Mobilize Marshall Strategic Plan.

Throughout this Plan, the following definitions are used. Capitalized terms not defined herein have the definitions assigned in the Act.

"*Captured Appraised Value*" means the total taxable value of all real property taxable by the City located in the Zone for each year less the Tax Increment Base.

"*Tax Increment*" for a taxing unit participating in the Zone means (i) the amount of property taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone or (ii) the amount of property taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone.

"*Tax Increment Base*" for a taxing unit participating in the Zone means the total taxable value of all real property taxable by the unit and located in the Zone for the base tax year 2021.

"*Zone Securities*" means bonds, notes, certificates of obligation, or any other evidence of indebtedness authorized to be issued by the City, whether or not secured by revenues in the Tax Increment Fund, issued to fund Project Costs.

THE ZONE

Eligibility Requirements for the Zone. The Zone is eligible under the Act to be designated as a tax increment reinvestment zone because property within the Zone substantially impairs or arrests the sound growth of the commercial city center because of its challenges to development with a deterioration of structures and a lack of site improvements, a need for redevelopment (e.g. streetscape, lighting, paving, curb and gutter, landscaping, etc.), a substantial number of substandard structures, the predominance of defective or inadequate sidewalks or street layout and grading, and some conditions that endanger life or property by fire or other cause.

Additionally, no more than 30 percent of the property in the Zone, excluding property that is publicly owned, is “used for residential purposes”, as defined in the Act and total appraised value of taxable real property in the Zone does not exceed 50 percent of the total appraised value of taxable real property in the City. The City has not previously created any other tax increment reinvestment zone nor any other special taxing districts or industrial districts.

Zone Boundaries.

The Zone includes approximately 156.65 acres and is generally enclosed within the following boundaries:

Beginning at the intersection of Alamo Boulevard and Grand Avenue

West to Grove Street

South to Houston Street

Southwest along Houston Street approximately 1740 feet

South approximately 459 feet to Whetstone Street

Easterly along Whetstone Street to College Street

North to Bowie Street

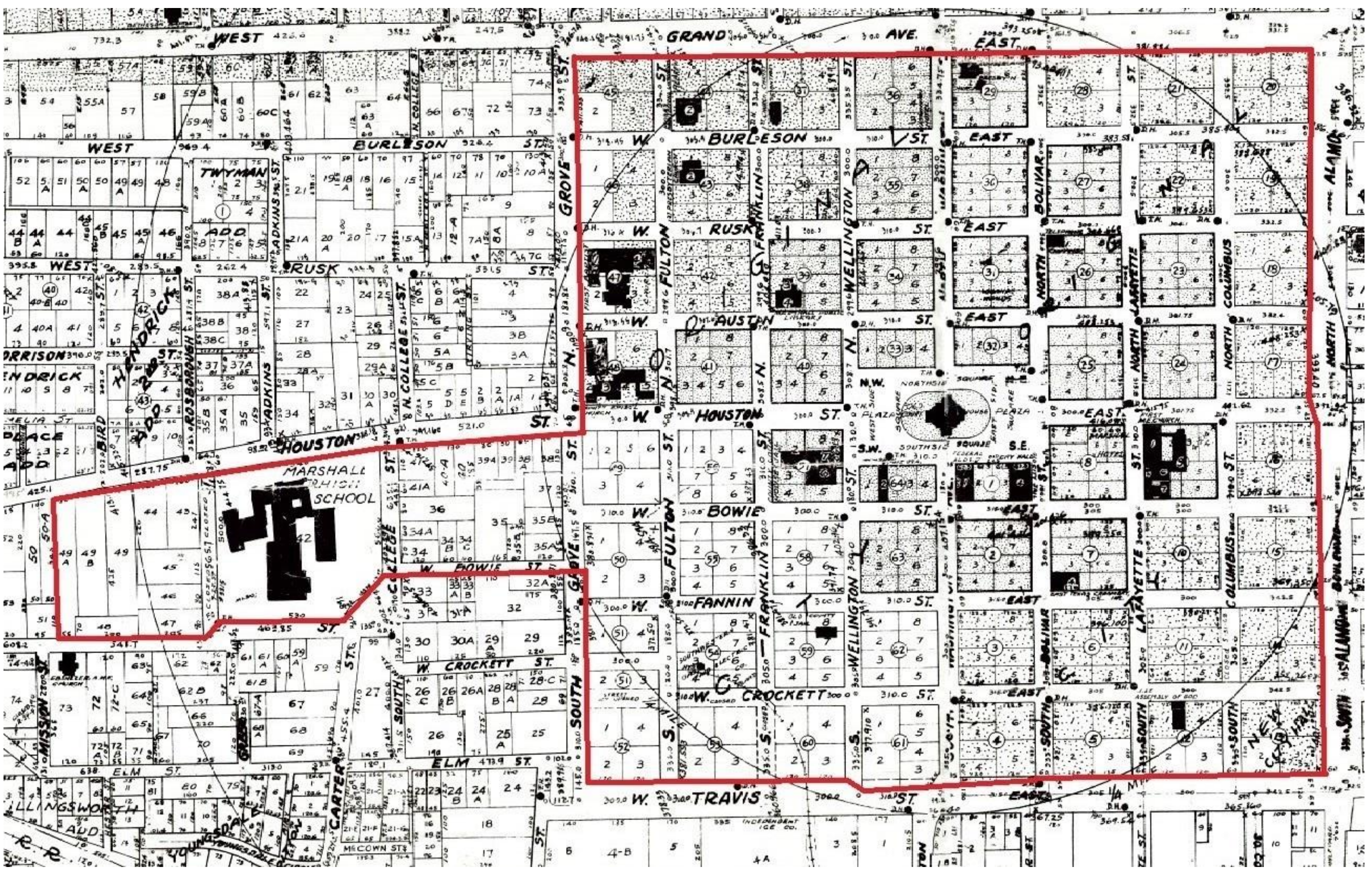
East to Grove Street

South to Travis Street

East to Alamo Boulevard

North to beginning point

MAP OF THE ZONE



Contributions to the Zone. The City is the only taxing unit participating in the Zone, unless an additional taxing unit becomes a participant in the future. The City will contribute 100 percent of its tax rate increment attributable to the increased taxable value of existing and new development in the Zone into a tax increment fund created by the City and segregated from all other funds of the City (the "TIF Fund"). The TIF Fund shall be used to pay the costs of public works, public improvements, maintenance and upkeep, and other projects and programs benefiting the Zone. The TIRZ Board will also make recommendations to the City Council concerning any development and reimbursement agreement ("TIF Reimbursement Agreement").

Existing Uses and Conditions. The Zone is located entirely within the City's corporate limits. Current property use within the Zone include mixed-use Residential and Commercial with some light industrial being no more than 10% of total area. The area may include, a high-end retail development and compact housing development on as-needed basis, especially in areas with low build out rates. A boundary map of the Zone and existing zoning uses is provided on **Exhibit B.**

Proposed Uses. The proposed uses will be established by existing zoning in most cases, but there may be areas where revised zoning will be requested. If so, any revisions will be made through the standard process and procedures of the City.

PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS. Any changes in ordinances, plans, codes, rules and regulations which are required or requested will be made through the standard process and procedures of the City. As of May 13th, 2021, there are no known proposed changes of zoning ordinances, the City's Comprehensive Plan, the City's Mobilize Marshall Strategic Plan, building codes, other municipal ordinances, and subdivision rules and regulations.

RELOCATION OF DISPLACED PERSONS. Although not anticipated, in the process of development and redevelopment in the Zone, any relocation will be made through the standard process and procedures of the City.

PROJECT OVERVIEW AND PROJECT COSTS

1. Infrastructure supporting cohesive redevelopment

Tax Increment Revenues shall be made available to facilitate investment in infrastructure or other improvements allowed by law that facilitate the following potential projects. This Project and Finance Plan will be amended as may be required by law to accommodate additional uses of the tax increment revenues within the TIF zone:

a. Projects that support infrastructure improvements and overall enhancement and aesthetic projects including sidewalks, furniture and other streetscape projects (e.g. lighting and safety features). See Table 1 below for more details.
b. Amounts shall be allocated to include operation and maintenance costs.
c. Acquisition of property by the private sector for parking and other economic priorities such as redevelopment and new construction projects shall be encouraged.
d. Annual marketing costs anticipated to be $65,000 over the term of the TIF

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Table 1 – COSTS: Proposed Public Improvements & Other Expenditures (Pay-as-you-go) Schedule

ITEM	Proposed Activity	ESTIMATED TIF's PROJECT COSTS
1	Phase 1. First Block (Projected Year 4) Overall enhancement of downtown including streetscape, lighting, trees, safety, and other aesthetic features	$400,000
2	Phase 2. Second Block (Projected Year 5) Overall enhancement of downtown including streetscape, lighting, trees, safety, and other aesthetic features	$400,000
3	Phase 3. Third Block (Projected Year 6) Overall enhancement of downtown including streetscape, lighting, trees, safety, and other aesthetic features	$400,000
4	Phase 4. Fourth Block (Projected Year 7) Overall enhancement of New Town's Marshall Lofts area including streetscape, lighting, trees, safety, and other aesthetic features (e.g. painting, façade, neighborhood improvements)	$400,000
5	Maintenance, Upkeep & Administration (Years 2-15) $32,500 x 13	$390,000
6	Marketing Costs (Years 2-15) $5,000 x 13	$65,000
	TOTAL ESTIMATED PROJECT COSTS:	**$ 2,055,000**

This Cost Table 1 summarizes the currently anticipated Project Costs to be financed within the TIRZ.

PROJECT COSTS. The total maximum "Project Costs," including Administrative Costs are $2,055,000. Administrative, Operating & Maintenance Costs shall be paid each applicable year from the TIF Fund before any other Project Costs are paid. Project Costs for administration of the T=Zone shall be the actual direct costs paid or incurred by the City to establish and administer the Zone.

<u>OTHER PROPOSED PUBLIC IMPROVEMENTS.</u> The list of public works and public improvements that could be included or proposed for financing through the TIF Fund pursuant to amendments to this Plan may include:

Additional Maintenance and Upkeep
Additional Administrative and other operational costs
Sidewalks, raised cross walks, pedestrian ramps,
Crossing systems, hike and bike trails and facilities
Curb and gutter
Roadways, asphalt paving & grading
ADA compliant pedestrian ramps and facilities
Water Main Loops, water system improvements
Force Main & Other Sewer Lines
Utility line relocations/installs/replacement
Drainage Improvements
Streetscape fixtures, water fountains, pedestrian signals
Streetscape furniture
Street lights/electrical
Landscaping, works of art
Plazas, squares, pedestrian malls, and other public spaces
Parks & outdoor concert/performance sites
Signage
Parking

Table 1. shows the planned projects and their associated costs at Present Value**.** Construction of the public improvements is scheduled to take place in phases during the term of the TIF and timed in coordination with new development and redevelopment projects in the TIRZ.

<u>Locations of Public Improvements.</u> The locations of the proposed public works and streetscape improvements all lie within the TIRZ and are generally located as described in Table 1 all within the proposed TIRZ whose boundaries are as shown in "Map of the Zone" (see above).

<u>ESTIMATED TIME WHEN COSTS ARE TO BE INCURRED.</u> Some Administrative and other Operational Costs will be incurred annually, specifically from years 2-15. It is assumed that the remainder of the Project Costs will be incurred during the life of the TIRZ. Debt can and will be considered on as-needed basis. The City reserves the right to enter into agreements with the

TIRZ board for purposes of loaning or financing projects using General Fund for reimbursement by the TIRZ board using the TIF fund.

ESTIMATED NON-PROJECT COSTS. Non-project costs are private or public expenses that are not eligible to be paid by the TIF Fund; these include public works projects that only partly benefit the Zone, and general government operating expenses unrelated to the Zone. Other non-project costs include private improvement costs paid by private development which are projected to be nearly $65.5 million based on the Feasibility Report, a copy of which is attached as **Exhibit C**. Other non-project costs not financed by the Zone include but are not limited to:

> Public improvement made within the Zone boundaries that also benefits property outside the Zone (that is, the portion of the total project costs allocated to the properties outside the Zone is a non-project cost); public improvements made outside the Zone boundaries that also benefit property within the Zone (that is, the portion of the total project costs allocated to the properties outside the Zone is a non-project cost); and, lastly, projects within the Zone as part of the project plan implementation that are paid fully or in part by impact fees, grants, special assessments or revenues other than the TIF Fund.

FINANCE PLAN & ECONOMIC FEASIBILITY.

For purposes of this Plan, economic feasibility has been evaluated by City staff for the Zone. A copy of the report is attached as **Exhibit C.** This report constitutes the "economic feasibility report" required by Section 311.011, Texas Tax Code. This evaluation focuses only on “direct” financial benefits (i.e., tax revenues only from new development in the TIRZ, no value increases from existing development nor value increases from new development after its completion) and does not take into consideration the “multiplier effect” that will result from new development that occurs outside the TIRZ, including increases in taxable sales volume.

The Feasibility Report and Finance Plan use a set of key assumptions for new development and redevelopment which make the overall project economically feasible, especially as all Project Costs are paid only from tax increment revenues accumulated in the TIF fund and as they become available.

Further, economic indicators point to acceleration in development in the region after the pandemic and by extension within the ZONE, as well. We believe the estimates of appraised values as a result of projected redevelopment and new construction projects in the Zone represent a conservative approach when evaluating the debt payment requirements for the Zone.

This report assumes a 2021 taxable value of $30,988,393 as a 'base' and an annual growth of 1.5% in appraised values of the Zone during the TIF's 15-year term. The report also makes the following assumptions as far as potential redevelopment and new construction projects (nearly $68.9 million) toward buildout of the Zone as shows in **Exhibit A** **(i.e. Table 2)**. These are:

- New Commercial, Retail or Office Space in the Zone—192,292 square feet with a projected value of approximately $33 million.
- New Redevelopment/Retrofit Space in the Zone—475,000 square feet with a projected value of approximately $35 million.

During the term of the Zone, the increase in value of new development that occurs in the Zone (which would not have occurred but for the Zone) will generate approximately $6,107,926 million for the TIF Fund in tax revenue over its 15-year term.

Lastly, the financial model in the City's Feasibility Report calculated a Net Present Value (NPV) for the City's TIF of approximately $ 3,910,101. This present value of the benefits exceeds the Present Value of overall costs ($ 2,055,000) incurred by the TIF over its 15-year term. As a result, the City's TIF district will generate a NET positive cash flow of approximately $1,855,101, even at a relatively "modest" property value growth rate of 1.5% per annum, post pandemic.

This satisfies the **"financial viability"** criterion for TIF district. A high risk-adjusted discount rate of 5% is used in order to calculate the lowest possible present value today of all future cash flows during the TIF's 15-year period. This is a very conservative approach, even post pandemic.

Based on the foregoing, the feasibility of the Zone has been demonstrated.

ESTIMATED BONDED INDEBTEDNESS. The City currently anticipates paying Project Costs or reimbursing a developer for qualified Project Costs solely from tax increment revenues on an annual basis. No bond indebtedness is anticipated to be incurred for the Zone, at this time. If initial Project Costs are not advanced by a Developer or property owner, the City or the Marshall EDC (i.e. MEDCO) may consider issuing zone securities and utilizing tax increment funds for either direct repayment to the City (or MEDCO), or to cover debt service so long as TIF funds are available.

FINANCING & EXPECTED SOURCES OF REVENUE

1. About the time when costs or monetary obligations are to be incurred

When payment of costs or reimbursements of costs are to be made is a function of the availability of the tax increment revenues. **Schedule A** of the Feasibility Report is a projection of tax increment revenues which are available and expected to be available in the future to pay or reimburse the TIF Fund for Project Costs on a year to year basis (see Table 1).

2. About Financing, Expected Sources of Revenue

Following is a description of the methods of financing all estimated project costs and the expected sources of revenue (tax increment) to finance or pay for Project Costs.

METHOD OF FINANCING. TIRZ Project Costs will be paid directly for site improvements, as described in Table 1 above. That is, Project Costs will be paid solely from tax increment revenues of the TIRZ, as they are realized by the TIRZ and deposited into the TIF Fund.

SOURCES OF TAX INCREMENT REVENUE. The tax increment revenue necessary to pay the TIRZ Project Costs is expected to come from increased property values in the Zone. **Schedule A** (next page) displays the projected assessed valuations resulting from increases in value, using the most conservative of three (3) development scenarios. That is, a 1.5% growth rate for appraised values in the Zone. These new tax increment revenues will be used to pay for Project Costs.

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Schedule A. "Projected Increment Revenue"

1	2	3	4	5	6	7
	City Tax Rate	0.0054216	NPV Project Costs = $2,055,000			
TIF Year	Calendar Year	Taxable Valuation (*)	Percent Increase	Taxable Value Increment	Projected Tax Increment	Cumulative Projected Tax Increment
0	2020	$30,988,393	1.50%	$0	$0	$0
1	2021	$31,453,219	1.50%	$464,826	$2,520	$2,520
2	2022	$41,045,324	1.50%	$10,056,931	$54,525	$57,045
3	2023	$80,569,453	1.50%	$49,581,060	$268,809	$325,853
4	2024	$95,549,571	1.50%	$64,561,178	$350,025	$675,878
5	2025	$109,207,892	1.50%	$78,219,499	$424,075	$1,099,953
6	2026	$115,259,602	1.50%	$84,271,209	$456,885	$1,556,838
7	2027	$116,988,496	1.50%	$86,000,103	$466,258	$2,023,096
8	2028	$118,743,323	1.50%	$87,754,930	$475,772	$2,498,868
9	2029	$120,524,473	1.50%	$89,536,080	$485,429	$2,984,297
10	2030	$122,332,340	1.50%	$91,343,947	$495,230	$3,479,527
11	2031	$124,167,325	1.50%	$93,178,932	$505,179	$3,984,706
12	2032	$126,029,835	1.50%	$95,041,442	$515,277	$4,499,983
13	2033	$127,920,283	1.50%	$96,931,890	$525,526	$5,025,509
14	2034	$129,839,087	1.50%	$98,850,694	$535,929	$5,561,438
15	2035	$131,786,673	1.50%	$100,798,280	$546,488	$6,107,926

Source: Feasibility Report. Scenario 1 at 1.5% growth rate. Most conservative projection.

Assumptions:
Estimated Years: 15
City Tax Rate: $ .54216

Schedule A: The Taxable Valuation column (3) does not reflect a 1.5% annual growth as it also includes projected increases in appraised values from assumed redevelopment and new construction projects during the 15-year term of the TIF.

This Plan is based on a contribution rate (and current tax rates which are subject to change) shown from the City.

Table No. 3	The City is the only Participating Jurisdiction	
Taxing Jurisdiction	2020 Tax Rate (1)	% Dedicated
City of Marshall	$0.54216	100%

(1) 2020 Tax Rate for purposes of illustration only. Tax Rate will be levied from year to year by the City and will vary.

TOTAL TAXABLE VALUE. The current total appraised value of taxable real property in the Zone as of January 1, 2020 is approximately $ 30 million. It is estimated that upon expiration of the term of the Zone in fifteen (15) years, the total appraised value of taxable real property in the Zone will be approximately $ 131 million.

ESTIMATED CAPTURED APPRAISED VALUE TAXABLE BY THE CITY. The captured taxable value of the Zone—taxable by the City for a year is the total taxable value of the Zone for that year less the tax increment base of the Zone. The Tax Increment Base of the Zone is the total taxable value of the Zone for the year in which the Zone was designated. The estimated captured appraised value of the Zone during each year of existence is shown in Schedule A. The cumulative captured taxable value of the TIF's lifespan of fifteen (15) years is approximately $ 100 million.

DURATION OF THE ZONE. The term of the Zone commences on June 1st, 2021 and will continue until the earlier to occur of: (1) May 31st, 2036 or (2) the date on which all Project Costs, bonds (if any), and other zone securities or obligations (if any) have been paid in full.

EXHIBIT A

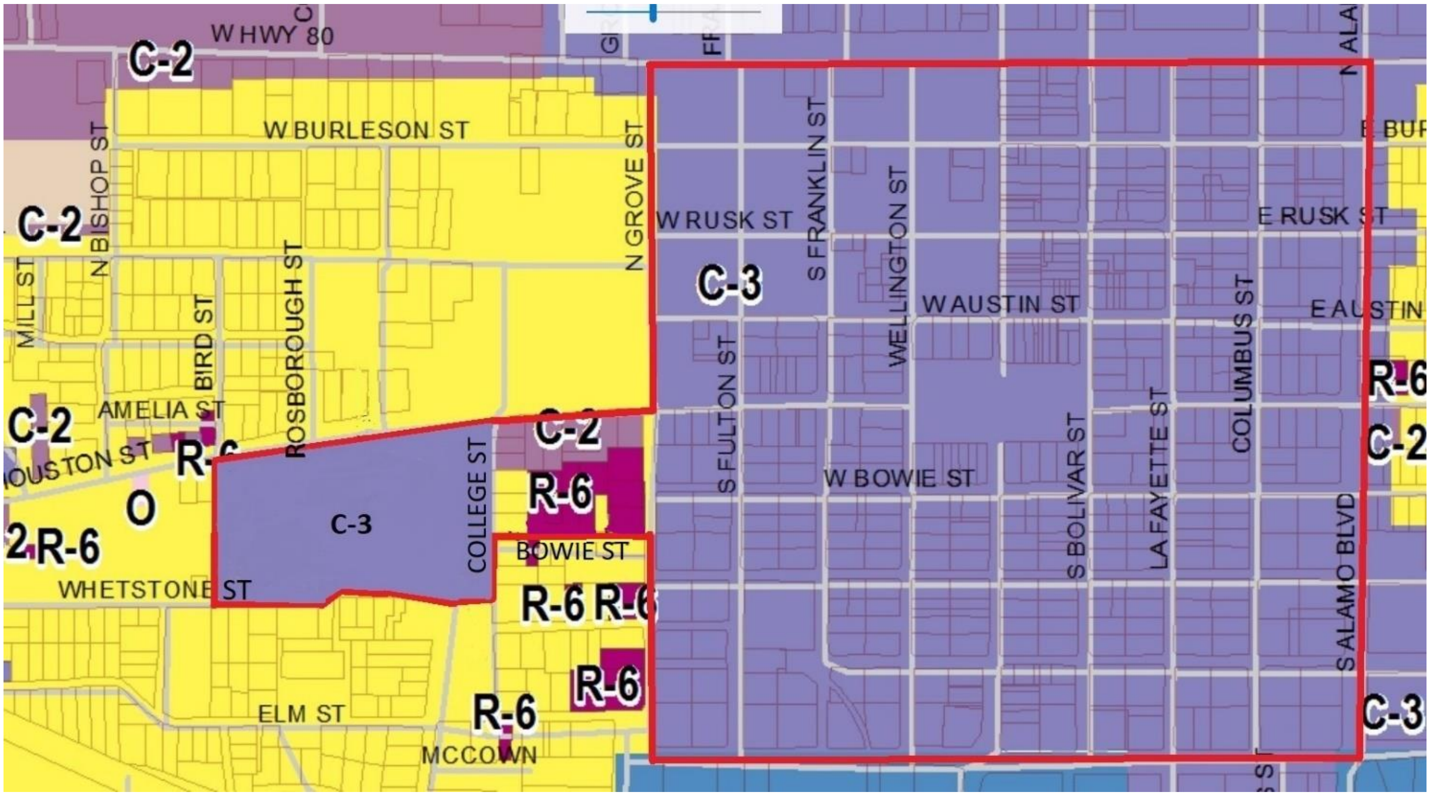
Assumed Redevelopment /New Construction Projects

TABLE 2.	1	2	3 TOTAL SF Available	4 SF Available (Leasable Space)	5 Total SF Available	6 SF Available (Vacant Land)	7 Total SF Available
PROJECT 1.	**Bell Buckle**	Year 3				44,754	44,754
		Year 4		146,000	146,000		
PROJECT 2.	**Capital One**	Year3		28,812	28,812		
						28,800	28800
PROJECT 3.	**Swepco**	year 5				42,034	
		year 6				37,723	79,757
PROJECT 4.	**City**	year2	61,974			19,832	
		year3				19,832	
						21,071	60,735
PROJECT 5.	**Hist District**	year 2	170,000				
		year 3		45,000			
		year 4		55,000			
		year 5		70,000	170,000		
PROJECT 6.	*** M. Lofts**	year 2	129,240	25,848	0		
		year 3		103,392	129,240		
			SubTotal SF Available		474,052		214,046
						Total SF Available	**688,098**

* Pending. Add SF to account for new building

Projected New Development		$33,391,101	
Projected Redevelopment	$35,553,900.00		
Projected TOTAL New Investment			**$68,945,001**

EXHIBIT B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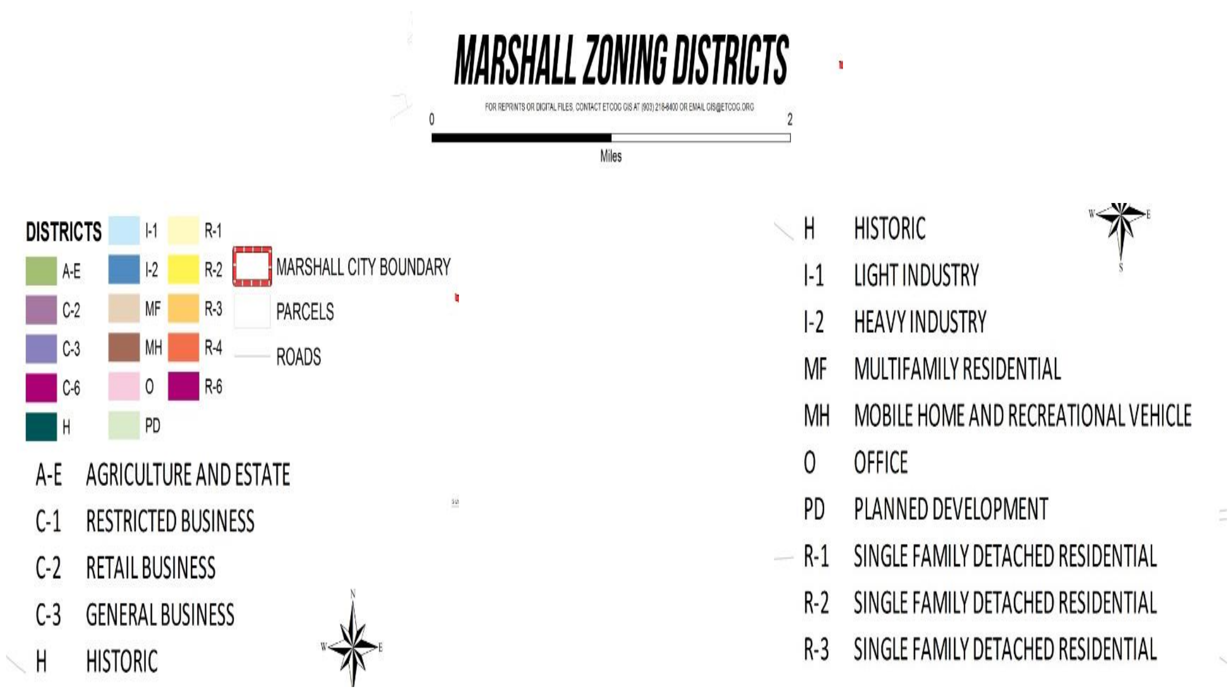
MARSHALL ZONING DISTRICTS
FOR REPRINTS OR DIGITAL FILES, CONTACT ETCOG GIS AT (903) 218-6400 OR EMAIL GIS@ETCOG.ORG
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R-6
MARSHALL CITY BOUNDARY
PARCELS
ROADS
A-E AGRICULTURE AND ESTATE
C-1 RESTRICTED BUSINESS
C-2 RETAIL BUSINESS
C-3 GENERAL BUSINESS
H HISTORIC
H HISTORIC
I-1 LIGHT INDUSTRY
I-2 HEAVY INDUSTRY
MF MULTIFAMILY RESIDENTIAL
MH MOBILE HOME AND RECREATIONAL VEHICLE
O OFFICE
PD PLANNED DEVELOPMENT
R-1 SINGLE FAMILY DETACHED RESIDENTIAL
R-2 SINGLE FAMILY DETACHED RESIDENTIAL
R-3 SINGLE FAMILY DETACHED RESIDENTIAL

EXHIBIT C

Feasibility Report Attached

EXHIBIT C - Feasibility Report

CITY OF MARSHALL
Community & Economic Development
Fabio Angell, Director

Date: 4/5/2021

To: MARK ROHR, CITY MANAGER

Re: CASH FLOW FORECAST FOR PROPOSED TIF ZONE (INTERNAL DOCUMENT)

- FINAL -

City staff completed three (3) scenarios of annual City taxes generated in the area where a tax increment financing ("TIF") program is being proposed by the City. A fourth scenario that did not include such TIF program was unnecessary. That is, 15-year projections of appraised values in the proposed TIF area would yield negative growth rates based on previous 10-year trends in the area of minus 4%.

On the other hand, the most conservative forecast (i.e. 1.5% growth rate) models annual municipal tax flow with creation of a TIF program to stimulate private sector investment and complete public improvements in key areas of the TIF zone.

The following assumptions are made:

- A TIF zone is created pursuant to Texas law in 2021 for a term of 10 years, with boundaries conforming to the accompanying map. For ten years, 100% of City real property tax on the increased value of real property starting in 2021 flows to a TIF fund. Real property tax on the 2021 'base" value never flows to the TIF fund, nor does any business personal property tax, sales tax or any other municipal tax.
- Real property tax dedicated to the TIF fund is used to facilitate development of the zone, whether by reimbursing expenses for public improvements or paying debt service on bond for land acquisition and /or public improvements. The later, however, is not anticipated. That is, no bond indebtedness is anticipated to be incurred for the Zone. TIRZ Project Costs will be paid directly for site improvements, as described in Table 1 above. That is, Project Costs will be paid solely from tax increment revenues of the TIRZ, as they are realized by the TIRZ and deposited into the TIF Fund.
- A large sample section of the proposed TIF area was surveyed by city staff, or about 29%. That is, 20 city blocks surveyed of nearly 70 in the proposed Zone.

It was found that a total of approximately 690,000 SF of space was either vacant or available for new construction and redevelopment projects in the Zone.

- Based on this square footage available, It is assumed that approximately $68 million in private sector investments can be generated over the course of the TIF's 15-year term, as follows:

  1. New Commercial, Retail or Office Space in the Zone—214,000 square feet with a projected value of approximately $33 million.
  2. New Redevelopment/Retrofit Space in the Zone—474,000 square feet with a projected value of approximately $35 million.

- Using these anticipated projects, three (3) development scenarios are included according to types, volumes and timing over the course of 15 years. One scenario assumes a rate increase of 1.5% in appraised values over and above the "base" appraised value at the start of the TIF (or Year 0). A second one assumes a rate increase of 2.25%, and a third one assumes a rate of increase of 3.5%.
- In all scenarios, taxable value assumptions per square foot of added floor or leasable area are identical.

With realization of these development assumptions, constant property and sales tax rates and moderate average annual inflation (even post pandemic), the most conservative TIF scenario (i.e. 1.5% growth rate) would produce approximately $ 144 million in total appraised value of taxable real property in the Zone to be used for tax increment financing during the TIF's term of fifteen (15) years.

The preceding forecasts of municipal revenue are expressed in nominal dollars but also in regard for the time value of money. That is, the Net Present Value (NPV) of the TIF is calculated to be **$ 4.17 million**, after total project costs of about $**2,050,000** are factored in and incorporated to the financial models using three (3) separate scenarios, as cited above. This is to say that when tax revenues are discounted at municipal interest rates for TIFs of, say, 5%, the forecasts are greater than without the TIF zone.

In general, the TIF zone will generate a positive cash flow at a relatively low property value growth rate of 1.5% per annum, and even more substantial positive cash flows across two (2) additional scenarios, as explained above.

The main implication of this analysis is:

> *If all or part of the stream of cash flowing to the hypothetical TIF fund were applied to public improvements in order to generate the anticipated new construction and redevelopment projects causing taxable property values to increase as assumed, the City would benefit financially.*

Revised development plans and changing market conditions may impact these scenarios pro formas.

Tax increment financing programs may apply cash received by a TIF fund to (1) reimbursement of developer expenditures for specified public improvements or (2) debt service on cash advanced by bonds of loans of City funds. There is ordinarily no market for bonds secured by TIF fund revenue alone until the taxable value within the TIF zone has risen sufficiently to support debt service payments. Consequently, tax increment financing typically requires (1) a developer to pay expenses for TIF project costs in exchange for a contract awarding reimbursement (with or without interest) for such costs as cash is received by the TIF fund or 92) a secondary source (municipal general fund, economic development fund, special district with demonstrated power to tax, etc.) to pay debt service if and when cash in the TIF fund is insufficient. At any rate, no bond indebtedness is anticipated to be incurred for the Zone.

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Schedule A

Projected Assessed Valuations

Scenario 1. 1.5% growth rate assumed (Most Conservative)

1	2	3	4	5	6	7
	City Tax Rate	**0.0054216**	**NPV Project Costs = $2,055,000**			
TIF Year	**Calendar Year**	**Taxable Valuation (*)**	**Percent Increase**	**Taxable Value Increment**	**Projected Tax Increment**	**Cumulative Projected Tax Increment**
0	2020	$30,988,393	1.50%	$0	$0	$0
1	2021	$31,453,219	1.50%	$464,826	$2,520	$2,520
2	2022	$41,045,324	1.50%	$10,056,931	$54,525	$57,045
3	2023	$80,569,453	1.50%	$49,581,060	$268,809	$325,853
4	2024	$95,549,571	1.50%	$64,561,178	$350,025	$675,878
5	2025	$109,207,892	1.50%	$78,219,499	$424,075	$1,099,953
6	2026	$115,259,602	1.50%	$84,271,209	$456,885	$1,556,838
7	2027	$116,988,496	1.50%	$86,000,103	$466,258	$2,023,096
8	2028	$118,743,323	1.50%	$87,754,930	$475,772	$2,498,868
9	2029	$120,524,473	1.50%	$89,536,080	$485,429	$2,984,297
10	2030	$122,332,340	1.50%	$91,343,947	$495,230	$3,479,527
11	2031	$124,167,325	1.50%	$93,178,932	$505,179	$3,984,706
12	2032	$126,029,835	1.50%	$95,041,442	$515,277	$4,499,983
13	2033	$127,920,283	1.50%	$96,931,890	$525,526	$5,025,509
14	2034	$129,839,087	1.50%	$98,850,694	$535,929	$5,561,438
15	2035	$131,786,673	1.50%	$100,798,280	$546,488	$6,107,926

(*) The Taxable Valuation column (3) does not reflect a 1.5% annual growth as it also includes projected increases in appraised values from assumed redevelopment and new construction projects during the 15-year term of the TIF.

Schedule B

Projected Assessed Valuations

Scenario 2. 2.25% growth rate assumed (Post-Pandemic Moderate Growth)

1	2	3	4	5	6	7
	City Tax Rate	0.0054216	NPV Project Costs = $2,055,000			
TIF Year	Calendar Year	Taxable Valuation	Percent Increase	Taxable Value Increment	Projected Revenue	Cumulative Projected Revenue
0	2020	$30,988,393	2.25%	$0	$0	$0
1	2021	$31,685,632	2.25%	$697,239	$3,780	$3,780
2	2022	$41,518,865	2.25%	$10,530,472	$57,092	$60,872
3	2023	$81,361,489	2.25%	$50,373,096	$273,103	$333,975
4	2024	$96,963,698	2.25%	$65,975,305	$357,692	$691,667
5	2025	$111,370,460	2.25%	$80,382,067	$435,799	$1,127,466
6	2026	$118,289,886	2.25%	$87,301,493	$473,314	$1,600,780
7	2027	$120,951,408	2.25%	$89,963,015	$487,743	$2,088,523
8	2028	$123,672,815	2.25%	$92,684,422	$502,498	$2,591,021
9	2029	$126,455,453	2.25%	$95,467,060	$517,584	$3,108,605
10	2030	$129,300,701	2.25%	$98,312,308	$533,010	$3,641,615
11	2031	$132,209,967	2.25%	$101,221,574	$548,783	$4,190,398
12	2032	$135,184,691	2.25%	$104,196,298	$564,911	$4,755,309
13	2033	$138,226,347	2.25%	$107,237,954	$581,401	$5,336,710
14	2034	$141,336,439	2.25%	$110,348,046	$598,263	$5,934,973
15	2035	$144,516,509	2.25%	$113,528,116	$615,504	$6,550,477

(*) The Taxable Valuation column (3) does not reflect a 2.25% annual growth as it also includes projected increases in appraised values from assumed redevelopment and new construction projects during the 15-year term of the TIF.

Schedule C

Projected Assessed Valuations

Scenario 3. 3.5% growth rate assumed (Post-Pandemic High Growth)

1	2	3	4	5	6	7
	City Tax Rate	0.0054216	NPV Project Costs = $2,055,000			
TIF Year	Calendar Year	Taxable Valuation	Percent Increase	Taxable Value Increment	Projected Revenue	Cumulative Projected Revenue
0	2020	$30,988,393	3.50%	$0	$0	$0
1	2021	$32,072,987	3.50%	$1,084,594	$5,880	$5,880
2	2022	$42,315,848	3.50%	$11,327,455	$61,413	$67,293
3	2023	$82,705,352	3.50%	$51,716,959	$280,389	$347,682
4	2024	$99,371,615	3.50%	$68,383,222	$370,746	$718,428
5	2025	$115,074,700	3.50%	$84,086,307	$455,882	$1,174,311
6	2026	$123,515,905	3.50%	$92,527,512	$501,647	$1,675,958
7	2027	$127,838,962	3.50%	$96,850,569	$525,085	$2,201,043
8	2028	$132,313,325	3.50%	$101,324,932	$549,343	$2,750,386
9	2029	$136,944,292	3.50%	$105,955,899	$574,451	$3,324,837
10	2030	$141,737,342	3.50%	$110,748,949	$600,437	$3,925,273
11	2031	$146,698,149	3.50%	$115,709,756	$627,332	$4,552,605
12	2032	$151,832,584	3.50%	$120,844,191	$655,169	$5,207,774
13	2033	$157,146,725	3.50%	$126,158,332	$683,980	$5,891,754
14	2034	$162,646,860	3.50%	$131,658,467	$713,800	$6,605,554
15	2035	$168,339,500	3.50%	$137,351,107	$744,663	$7,350,216

(*) The Taxable Valuation column (3) does not reflect a 3.5% annual growth as it also includes projected increases in appraised values from assumed redevelopment and new construction projects during the 15-year term of the TIF.

EXHIBIT B

Bylaws of Board of Directors

Reinvestment Zone Number One, City of Marshall, Texas

(Tax Increment Reinvestment Zone)

(see attached)

BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, CITY OF MARSHALL, TEXAS

BYLAWS

ARTICLE I - POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Reinvestment Zone Number One, City of Marshall, Texas (the "Zone") was formed, as set forth in Ordinance No. [0-21-12] approved on May 27, 2021, creating the Zone, the City of Marshall, Texas (the "City") may issue obligations to finance all or part of the cost of implementing the "project plan" for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon's Texas Codes Annotated (the "Act").

Se**ction 2. Books and Records: Approval of Programs and Financial Statements**. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City Secretary will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

ARTICLE II - BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office. The property and affairs of the Zone shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the Zone ("Board of Directors" or "Board"), subject to the restrictions imposed by law, the ordinance creating the Zone, and these Bylaws. It is the intention of the City Council that the Board of Directors shall function only in an advisory capacity with respect to the Zone and shall exercise only those powers which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council.

The Board of Directors shall consist of seven (7) directors appointed by the City Council of the City as provided in the ordinance establishing the Zone.

The first Board of Directors shall serve for an initial term ending as provided in the ordinance establishing the Zone or until his or her successor is appointed. Subsequent directors shall be appointed by the City Council and shall serve for two (2) year terms beginning January 1 or until their successors are appointed by the City Council

Any director may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public.

In the event of a vacancy caused by the resignation, death, or removal for any reason, of a director, the City Council shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors shall hold their meetings every six months pursuant to the city code of ordinances at City Hall. Additional special meetings may be called as deemed necessary by the Board of Directors or the City Council. Meetings may be cancelled if the board has no business to discuss.

Section 3. Regular and Special Meetings. Regular Meetings shall be held on the second Thursday of the month at 5:30 p.m. Special Meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by the Board of Directors. All meetings of the Board shall be of a public nature unless pertaining to matters of land purchase, security, personnel, matters where such meetings would be allowed by the Open Meetings Act, or strictly legal matters. Special meetings may be held in person at City Hall or by teleconference or e-mail. Special meetings held by teleconference or e-mail shall be for discussion purposes only. Notice of all regular and special meetings of the Board held at City Hall shall be posted in accordance with the provisions of Chapter 551, Texas Government Code. There shall be at least one Regular Meeting held each year.

Section 4. Emergency Meetings. Emergency Meetings of the Board of Directors shall be held whenever called by the chair or the majority of the directors then in office or upon advice or request by the City Council. The secretary shall give notice to each director of each Emergency Meeting. Emergency meetings may be held at City Hall, or may be held by teleconference or e-mail. Minutes of emergency meetings where decisions are made will be kept.

Section 5. Quorum. A majority four (4) of the seven (7) directors holding current appointments shall constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

Section 6. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Zone shall be considered in such order as from time to time the Board of Directors may determine. At all meetings of the Board of Directors, the chair shall preside and in the absence of the chair, the vice chair shall exercise the power of the chair.

The City Secretary or their designee shall act as secretary of all meetings of the Board of Directors, but in the absence of the City Secretary or their designee, the presiding officer may appoint any person to act as secretary of the meeting. City staff shall provide notice of meetings and prepare meeting agendas.

Within five (5) days of approval of minutes for each Regular Meeting, Special, and Emergency meeting, a copy of the approved minutes shall be submitted to the City Secretary of the City.

Section 7. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 8. Attendance. Board members shall make every effort to attend all Regular, Special and Emergency meetings of the Board and/or Committees. The City Council may replace an appointee of the Board for non-attendance at three consecutive meetings.

ARTICLE III - OFFICERS

Section 1. Titles and Term of Office. The officers of the Zone shall consist of a chair, a vice chair, and such other officers as the Board of Directors may from time to time elect or appoint; provided however that the City Council shall, on an annual basis, appoint the chair whose term shall end on January 1 of each year. Terms of office for officers, other than the chair, shall not exceed two (2) years.

A vacancy in the office of any officer, other than the chair, shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chair. The chair shall be the chief executive officer of the Board of Directors and, subject to the approval of the City Council, they shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board of Directors.

Section 3. Vice Chair. The vice chair shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the chair during that officer's absence or inability to act. Any action taken by the vice chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

Section 4. Secretary. The City Secretary or their designee shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose, they shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and they shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board of Directors.

Section 5. Compensation. Officers as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 6. Staff. Staff functions for the Board of Directors may be performed by the City Administrator or their designees.

ARTICLE IV - PROVISIONS REGARDING BYLAWS

Section 1. Effective Date. These Bylaws shall become effective only upon the adoption of these Bylaws by the Board of Directors. The Board of Directors shall submit its Bylaws to the City Council who may approve or disapprove of the Bylaws.

Section 2. Amendments to Bylaws. These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the City Council a written application requesting that the City Council approve such amendment to the Bylaws, specifying in such application, the amendment or amendments proposed to be made. If the City Council finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

After consultation with the Board of Directors, the Bylaws may also be amended at any time by the City Council by adopting an amendment to the Bylaws by the City Council and delivering the Bylaws to the secretary of the Board of Directors.

Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V - GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Unless otherwise required by state law, whenever any notice whatsoever is required to be given under the provision of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the Zone, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting. A waiver of notice in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.

Approved by the TIRZ Board of Directors on the 10th June, 2021.

ITEM 9A

CONSIDER APPROVAL TO AWARD A CONTRACT FOR THE 2021 STREET IMPROVEMENT PROGRAM

City of MARSHALL TEXAS

TO: Members of the City Council

FROM: Eric Powell, PE ELP
Director of Public Works/City Engineer

DATE: June 3, 2021

SUBJECT: 2021 Street Improvement Program – Bid Summary and Award Recommendation

---

On Wednesday, June 2, 2021, the City received bids for the 2021 Street Improvement Program. There were three (3) bids submitted, opened publicly, and read aloud. The following is the list of bidders:

1) Rayford's Truck & Tractor
2) Lone Star Equipment
3) W.M. Miller Construction

A summary of the bid submittals is attached for your review.

Based on the prices that were bid, I recommend that we award the base bid, plus Alternate "A", to Rayford's Truck & Tractor, in the amount of $1,468,558.60.

BID TABULATION

City Project: *2021 Street Improvement Program*

City Project Number: *2021-PW-001*

Bid Opening Time\Date: *June 2, 2021 @ 2:00pm*

Prepared By: *Eric G. Powell, PE, Director\City Engineer*

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	Engineers Estimate UNIT PRICE	Engineers Estimate AMOUNT	Rayford Truck & Tractor UNIT PRICE	Rayford Truck & Tractor AMOUNT	L.S. Equipment dba Lone Star Equipment UNIT PRICE	L.S. Equipment dba Lone Star Equipment AMOUNT	W.M. Miller Construction UNIT PRICE	W.M. Miller Construction AMOUNT
1	FURNISH, INSTALL, MAINTAIN & REMOVE BARRICADES, SIGNS & TRAFFIC CONTROL	1	LS	$ 5,000.00	$ 5,000.00	$ 12,500.00	$ 12,500.00	$ 100,000.00	$ 100,000.00	$ 121,540.00	$ 121,540.00
2	FURNISH AND INSTALL HMAC TYPE "D" SURFACE COURSE, INCLUDING ASPHALT PRIM	9.797	TONS	$ 110.00	$1.077,670.00	$ 107.00	$ 1.048.279.00	$ 117.00	$1.146.249.00	$ 128.90	$1,262.833.30
3	PULVERIZE, CEMENT STABILIZE, RESHAPE AND RECOMPACT BASE	61,811.00	EA	$ 7.00	$ 432.677.00	$ 6.00	$ 370,866.00	$ 8.50	$ 525.393.50	$ 12.81	$ 791,798.91
4	ADJUST VAVLE BOX TO OVERLAY GRADE	39	EA	$ 200.00	$ 7,800.00	$ 300.00	$ 11.700.00	$ 300.00	$ 11.700.00	$ 354.00	$ 13.806.00
5	ADJUST MANHOLE TO OVERLAY GRADE	46	EA	$ 200.00	$ 9.200.00	$ 300.00	$ 13,800.00	$ 300.00	$ 13.800.00	$ 590.00	$ 27.140.00
					$1,532,347.00		$ 1,457.145.00		$1,797,142.50		$2,217,118.21

ALTERNATE "A"

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
A1	REFLECTIVE PAVEMENT MARKING TYPE II: 4" YELLOW, DOUBLE LINE, (100mil)	9.642	LF	$ 1.00	$ 9.642.00	$ 0.80	$ 7,713.60	$ 1.25	$ 12.052.50	$ 1.18	$ 11.377.56
A2	24" STOP BARS AND PREP, TYPE II	7	EA	$ 100.00	$ 700.00	$ 300.00	$ 2.100.00	$ 500.00	$ 3,500.00	$ 354.00	$ 2,478.00
A3	CROSSWALKS, TYPE II	8	SY	$ 200.00	$ 1,600.00	$ 200.00	$ 1,600.00	$ 1,000.00	$ 8,000.00	$ 708.00	$ 5,664.00
				TOTAL - Alternate 'A':	$ 11,942.00		$ 11.413.60		$ 23.552.50		$ 19,519.56
				TOTAL - Base Bid + Alternate A:	$1,544,289.00		$ 1,468.558.60		$1.820.695.00		$2,236,637.77

As Read

6/2/2021

Eric G. Powell, PE
Director of Public Works\City Engineer

2021 STREET IMPROVEMENT PROGRAM
LIST OF STREETS FOR RECONSTRUCTION AND OVERLAY
(as previously provided to the City Council)

RECONSTRUCTION

STREET	FROM	TO	Current PCI	Length	Width (Avg.)	Area	Tons	Cost
Adair St	Yaney	End	23	675	15	1,125	124	$ 7,875
Bledsoe St	Winston	End	11	844	18	1,688	186	$ 11,816
Bruckmuller St	N. Franklin	Grove	32	773	20	1,718	189	$ 12,024
Chatham St	Lancaster	End	24	957	24	2,552	281	$ 17,864
Cobb St	Yaney	End	10	638	22	1,560	172	$ 10,917
Frazier St	Ray	Bruckmuller	16	214	20	476	52	$ 3,329
Hynson Springs Rd	Ward	North St	25	763	20	1,696	187	$ 11,869
Joyce St	Grace	Terry	25	734	20	1,631	179	$ 11,416
Lancaster St	Lane Lewis	Achte	35	3615	20	8,033	884	$ 56,233
Lane Lewis St	Pincecrest	Lancaster	25	522	20	1,160	128	$ 8,120
Levin St	Shaw	Ralph	10	241	18	482	53	$ 3,374
Louisiana St	Henderson	Summit	22	1099	18	2,198	242	$ 15,386
Marshall St	Hwy 80	N. Allen	33	1039	34	3,925	432	$ 27,476
Medill St	Gordon	Rosborough Springs	30	1580	30	5,267	579	$ 36,867
N. Allen	Marshall St.	W Houston	31	766	40	3,404	374	$ 23,831
Poplar St	First	Lane	31	1075	40	4,778	526	$ 33,444
Poplar St	West	Calloway	34	601	40	2,671	294	$ 18,698
Ray St	Franklin	Frazier	4	401	20	891	98	$ 6,238
Rosborough Springs	Medill	W Meredith	31	1215	40	5,400	594	$ 37,800
Shaw St	Levin	Ralph	27	279	20	620	68	$ 4,340
Terry St	Pinecrest	Joyce	40	395	20	878	97	$ 6,144
Ward St	Adair	Hwy 80 (Grand)	21	740	24	1,973	217	$ 13,813
Wiley Ave	University	Medill	30	1142	40	5,076	558	$ 35,529
Wilson St	University	Abel	29	515	28	1,602	176	$ 11,216
Winston St	Bledsoe	Holland	28	378	24	1,008	111	$ 7,056
					RECONSTRUCTION TOTALS:	61,811	6,799	$ 432,677

OVERLAY

STREET	FROM	TO	Current PCI	Length	Width (Avg.)	Tons	Area	Cost
Adair St	Yaney	End	23	675	15	124	1,125	$ 13,613
Bledsoe St	Winston	End	11	844	18	186	1,688	$ 20,425
Bruckmuller St	N. Franklin	Grove	32	773	20	189	1,718	$ 20,785
Chatham St	Lancaster	End	24	957	24	281	2,552	$ 30,879
Cobb St	Yaney	End	10	638	22	172	1,560	$ 18,871
Frazier St	Ray	Bruckmuller	16	214	20	52	476	$ 5,754
Hynson Springs Rd	Ward	North St	25	763	20	187	1,696	$ 20,516
Joyce St	Grace	Terry	25	734	20	179	1,631	$ 19,736
Lafayette St	E Houston	E Crockett	30	914	38	425	3,859	$ 48,818
LakeView St	Beth Ann	County Line		3955	24	1,160	10,547	$ 133,415
Lancaster St	Lane Lewis	Achte	35	3615	20	884	8,033	$ 97,203
Lane Lewis St	Pincecrest	Lancaster	25	522	20	128	1,160	$ 14,036
Levin St	Shaw	Ralph	10	241	18	53	482	$ 5,832
Louisiana St	Henderson	Summit	22	1099	18	242	2,198	$ 26,596
Marshall St	Hwy 80	N. Allen	33	1039	34	432	3,925	$ 47,494
Medill St	Gordon	Rosborough Springs	30	1580	30	579	5,267	$ 63,727
N. Allen	Marshall St.	W Houston	31	766	40	374	3,404	$ 41,194
Poplar St	6th	N Bolivar		4566	40	2,232	20,293	$ 256,711
Ray St	Franklin	Frazier	4	401	20	98	891	$ 10,782
Rosborough Springs	Medill	W Meredith	31	1215	40	594	5,400	$ 65,340
Shaw St	Levin	Ralph	27	279	20	68	620	$ 7,502
Terry St	Pinecrest	Joyce	40	395	20	97	878	$ 10,621
Ward St	Adair	Hwy 80 (Grand)	21	740	24	217	1,973	$ 23,877
Wiley Ave	University	Medill	30	1142	40	558	5,076	$ 61,414
Wilson St	University	Abel	29	515	28	176	1,602	$ 19,387
Winston St	Bledsoe	Holland	28	378	24	111	1,008	$ 12,197
					OVERLAY TOTALS:	9,797	89,061	$ 1,096,725

2021 STREET IMPROVEMENT PROGRAM
LIST OF STREETS FOR RECONSTRUCTION AND OVERLAY
(as previously provided to the City Council)

RECONSTRUCTION - PART 2									
STREET	FROM	TO	Current PCI	Length	Width (Avg.)	Area	Tons		Cost
Acadia St	Laurel	W. Carolanne	19	344	36	1,376	158	$	9,632
E. Bowie St	S. Williams	Lon	17	478	24	1,275	147	$	8,923
E. Rusk St	Durel	Davis	15	1210	24	3,227	371	$	22,587
Greenwood St	Price	Davis	17	309	24	824	95	$	5,768
Grismore St	Hwy 43	E. Teddy	17	517	18	1,034	119	$	7,238
Highland St	S. Allen	S. Callum	18	510	16	907	104	$	6,347
Lake St	Georgia	Ida	15	2448	18	4,896	563	$	34,272
Lane St	Ida	May	16	281	20	624	72	$	4,371
Marion St	Manes	Katherine	12	340	12	453	52	$	3,173
May St	Texas	Lake	17	528	16	939	108	$	6,571
Robertson St	Hanks	Sledge	17	338	16	601	69	$	4,206
Nathan St	S. Grove	Rosborough Springs	20	905	24	2,413	278	$	16,893
S. Grove	Medill	Nathan	17	290	20	644	74	$	4,511
Sanford St	W. Emory	Mockingbird	15	656	22	1,604	184	$	11,225
Talliaferro St	Hargrove	Sedberry	17	553	20	1,229	141	$	8,602
Texas St	May	Cypress	20	881	20	1,958	225	$	13,704
					RECONSTRUCTION - PART 2 TOTALS:	24,003	2,760	$	168,023

OVERLAY - PART 2									
STREET	FROM	TO	Current PCI	Length	Width (Avg.)	Area	Tons		Cost
Acadia St	Laurel	W. Carolanne	19	344	36	151	1,376	$	17,406
E. Bowie St	S. Williams	Lon	17	478	24	140	1,275	$	16,125
E. Rusk St	Durel	Davis	15	1210	24	355	3,227	$	40,817
Greenwood St	Price	Davis	17	309	24	91	824	$	10,424
Grismore St	Hwy 43	E. Teddy	17	517	18	114	1,034	$	13,080
Highland St	S. Allen	S. Callum	18	510	16	100	907	$	11,469
Lake St	Georgia	Ida	15	2448	18	539	4,896	$	61,934
Lane St	Ida	May	16	281	20	69	624	$	7,899
Marion St	Manes	Katherine	12	340	12	50	453	$	5,735
May St	Texas	Lake	17	528	16	103	939	$	11,874
Robertson St	Hanks	Sledge	17	338	16	66	601	$	7,601
Nathan St	S. Grove	Rosborough Springs	20	905	24	265	2,413	$	30,529
S. Grove	Medill	Nathan	17	290	20	71	644	$	8,152
Sanford St	W. Emory	Mockingbird	15	656	22	176	1,604	$	20,286
Talliaferro St	Hargrove	Sedberry	17	553	20	135	1,229	$	15,546
Texas St	May	Cypress	20	881	20	215	1,958	$	24,766
					OVERLAY - PART 2 TOTALS:	2,640	24,003	$	303,642

PROGRAM COSTS:

Reconstruction	*$*	*432,677.00*
Overlay	*$*	*1,096,725.30*
TOTAL:	*$*	*1,529,402.30*

PART TWO COSTS:

Reconstruction	*$*	*168,023.33*
Overlay	*$*	*303,642.17*
TOTAL:	*$*	*471,665.50*

COMBINED TOTAL:	*$*	*2,001,067.80*

ITEM 9B

CONSIDER APPROVAL OF APPOINTMENT AND REAPPOINTMENTS TO THE PLANNING & ZONING COMMISSION AND THE MAIN STREET BOARD

City of MARSHALL TEXAS

TO: Members of the City Council

FROM: Fabio Angell, Director of Community & Economic Development

DATE: June 1, 2021

SUBJECT: Consider appointments and reappointments to the Planning & Zoning Commission and the Main Street Board

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PLANNING AND ZONING COMMISSION

The Planning and Zoning Commission hears and makes recommendations on requests for zoning changes and special use permits. This commission also reviews and approves subdivision plats in the city limits and within one mile of the city limits. The term of service on this board is three years, beginning on June 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this commission are Melisa Lewis, Gale Keys, Kenneth Moon, Jacob Fulbright, Kyle Dansby, Colin Brady, and Matthew Kuhn. The staff member who works with this board is Fabio Angell, Director of Community & Economic Development. Questions may be directed to Mr. Angell at 903-934-7994 or angell.fabio@marshalltexas.net.

The term of Colin Brady, Kyle Danby, and Matthew Kuhn are expiring. Kyle Dansby and Matthew Kuhn are eligible for reappointment. Mr. Brady is not eligible for reappointment.

It is recommended that Kyle Dansby and Matthew Kuhn be reappointed. There is one additional vacancy on this board that needs to be filled. Robert Cole and Anne Mangrum have expressed interest in serving on this board. It is recommended that Robert Cole be appointed as a new member of this board.

MAIN STREET ADVISORY BOARD

The Main Street Advisory Board assists in the economic revitalization, design, promotion and preservation of downtown Marshall. The term of service on this board is three years, beginning on January 1 after the appointment is made. A member can serve a maximum of two consecutive full terms.

The current members of this board are Trey Sandlin, Harold Raines, George Kezerle, Karen Bickerdike, Joseph Filippazo, Lucy Goladay, Ruby Pye, Deborah Parker, Diane Solomon, Sam Moseley, and Melinda

Gaulden. The staff member who works with this board is Veronique Ramirez, Main Street Manager. Questions may be directed to Ms. Ramirez at 903-934-7902 or ramirez.veronique@marshalltexas.net.

There are two vacancies on this board which need to be filled. Jay Carriker and Jeanette Krohn have expressed interest in serving on this board. It is recommended that Jay Carriker and Jeanette Krohn be appointed as new members of this board.

ITEM 9C

CONSIDER APPROVAL OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR 2021

TO: Members of the City Council

FROM: Fabio Angell, Director of Community & Economic Development

DATE: June 1, 2021

SUBJECT: Discussion and consider approval of the Community Development Block Grant Annual Action Plan for Plan Year 2021

Background

On March 17th, 2021, the City of Marshall Community Development Advisory Council conducted a Public Hearing regarding the proposed Annual Action Plan (AAP) for Community Development Block Grant (CDBG) for the upcoming Plan Year 2021. The Board approved the Annual Action Plan unanimously and submitted the plan to Council. On April 8, 2021, the Marshall City Council held a Public Hearing with no one coming forward with a comment or question. City Council approved the Annual Action Plan based on a funding award of $349,537.

On May 15, 2021, City staff received notification from the United States Department of Housing & Urban Development (HUD) of an additional allocation of 1.5% ($5,151). This allocation was due to an error in formula calculations by the Office of Community Planning and Development (CPD). The City of Marshall's new funding award for PY2021 will be $354,688.

On May 30, 2021, the Notice of Public Hearing was published for the City Council meeting on June 10, 2021. City staff has not received any comments or questions regarding the proposed modification 2021 Action Plan.

Summary of Request

Tonight's agenda item calls for the City Council to discuss and consider approval of the CDBG Annual Action Plan at the new award amount of $354,688.

Once approved, the plan will be forwarded to the Department of Housing and Urban Development (HUD) for authorization.

	Proposed PY2021 Annual Action Plan	Estimated 2020 Carry-Over	TOTAL Available for PY2021
Total Proposed by HUD	**354,688.00**	**30,881.00**	**385,569.00**

	Proposed PY2021 Budget By Category	Subtotal	TOTAL Available for PY2021
ADMINISTRATION (Maximum 20%)	$69,907.00	**69,907.00**	
OTHER SERVICES			
Housing Rehab	$100,000.00		
Housing & Blight Removal	$73,000.00		
Code Enforcement	$68,000.00		
Operation Paint The Town	$12,231.00		
Improvement Program	$10,000.00		
Subtotal		**$263,231.00**	
PUBLIC SERVICES (Maximum 15%)			
Boys & Girls Club of the Big Pines	$16,250.00		
Marshall – Harrison County Literacy Council	$10,000.00		
Mission Marshall Food Bank	$12,000.00		
Operation Clean Up	$13,971.00		
Financial Empowerment Initiative	$210.00		
Subtotal		**$52,431.00**	
Total Available PY2021			**$385,569.00**

ITEM 9D

CONSIDER APPROVAL OF SMALL BUSINESS GRANT FUND APPLICATIONS

Memorandum

Date: May 24, 2021

To: Mark Rohr, City Manager

From: Shameia Ruffins, Community Development Coordinator

Subject: Approval of Small Business Grant Fund Recommendations

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The following recommendations have been made by staff in relation to the Small Business Grant Fund. This fund was approved on September 24, 2020 by the City Commission with a 6:0 vote.

The purpose of the SBGF is to help Marshall small businesses adapt their business model to changing business conditions because of the COVID-19 pandemic. This is a reimbursement grant for up to $2,500 of eligible costs including equipment, software, supplies, safety equipment, and financial support. Eligible businesses include, but are not limited to, retail (storefront), food and beverage, personal care (barbershop, nail salons, spas, etc.), automobile, mobile (food) vendors, maintenance, education/training, health/wellness, art galleries, gyms, and small manufacturing businesses. Businesses must have 25 or fewer employees and have been open and operating as of January 1, 2020.

Funding for the program is provided to the City of Marshall through the U.S. Department of Housing and Urban Development's Community Block Development Grant. Currently, the City has delegated $138,536.000 of our received COVID money to the Small Business Grant Fund. The approved application process says that upon receipt, staff will review the application for completion. Based on the review, City staff will make recommendations for approval by City Commission.

Thus far, we have approved 39 applications of which 3 were approved during the previous commission meeting held on May 13, 2021. A total of 5 pending applications today would bring us to a total of 44 applications. Staff has assisted several business owners in getting their application started, and will continue to spread the word on this local opportunity. We anticipate this to be an ongoing agenda item over the next few months as we continue to receive applications.

Staff is looking for the City Commission's approval for the five (5) Small Business Grant Fund applications that was received in completion between May 14, 2021 and June 4, 2021.

See Attached Documents

Staff Recommendations

Yulanda's Hair Salon- $2,500.00

Staff is recommending the max reimbursement of $2,500 to Yulanda's Hair Salon under the eligibility category of financial support and eligible supplies.

Yulanda's Hair Salon is one of many small businesses located in the city of Marshall TX. This business owner not only remained in business for the sake of her customers, but she in fact expanded her salon to insure proper social distancing. Yulanda as many of others still do not know how long this Covid-19 pandemic will be in effect. The best thing to do was expand the building, replace some of the equipment located inside to ensure the safety of herself as well as other employees. Receipts totaling $36,325.00 were submitted.

Taqueria EL Guerito- $2,500.00 (Mobile Food Vendor)

Staff is recommending the max reimbursement of $2,500 to Taqueria EL Guerito under the eligibility category of financial support.

Taqueria EL Guerito is one of few mobile food vendors that service the city of Marshall. Believe it or not at one point food establishments such as mobile food vendors played a huge part during the beginning stages of the covid-19 pandemic giving many families an option to purchase food when so many others were forced to shut their doors. The owner stated as well as provided proof that she was granted permission from Selena's Mexican Restaurant to mobilize her unit on the premises so that she and the few employees that she employed could extend hours of operation to accommodate any one in need. The owner has submitted $2,600.00 in employee wages receipts.

Level Up Nutrition-$2,500.00

Staff is recommending the max reimbursement of $2,500 to Level up Nutrition under the eligibility category of financial support.

Level up Nutrition is indeed a newer small business nestled in the heart of downtown Marshall Texas. The company was a great success upon initially opening, but however like many of other small businesses was forced to change the structure in the way they normally serve guest. In addition adding more safety measures was costly, not to mention maintaining the monthly insurance as well as utilities. Due to the decline in business caused by covid-19 the company also had a decline in sales causing a shortage in incoming revenue. Receipts totaling $3,232.86 were submitted.

Marshall I-20 E Truck Stop Inc (Pony Express)-$2,500.00

Staff is recommending the max reimbursement of $2,500 to Marshall I-20 E Truck Stop (Pony Express) under the eligibility category of financial support and eligible supplies.

Marshall I-20 E Truck Stop also known as Pony Express has expressed the difficult time they've faced during the Covid-19 Pandemic. The company was faced with cutting its hours of operation in half as well as decreasing the number of employees employed. To meet safety guidelines per the CDC safety screens were installed to ensure the safety of customers as well as employees. A drive thru was added as well. Insurance including property taxes have been maintained throughout the pandemic. Receipts totaling $39,311.97 have been submitted.

Rey of Love Church Supply-$2,500.00

Staff is recommending the max reimbursement of $2,500 to Rey of Love Church Supply under the eligibility category of financial support and eligible supplies.

Rey of Love Church Supply was indeed a helpful source during this pandemic. Offering curbside services, delivery services, and even providing free face coverings for those that are in need. This company was able to remain open as they faithfully maintained the rental fees on the property also purchasing the necessary equipment suggested by the CDC to remain as safe as possible. Receipts totaling $8,432.98 were submitted for this reimbursement grant.

ITEM 9E

CONSIDER APPROVAL OF ANNEXATION, SERVICE, AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MARSHALL, TEXAS, AND PINEY LAND I, LLC

ANNEXATION, SERVICE, AND DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF MARSHALL, TEXAS,
AND
PINEY LAND I, LLC.

STATE OF TEXAS
COUNTY OF HARRISON

This Annexation, Service, and Development Agreement (the "Agreement") is made and entered into as of the ___th day of June 2021, by and between the City of Marshall, Texas (the "City"), and Piney Land I, LLC, a Texas limited liability company, (the "Landowner," and together with the City, the "Parties").

RECITALS

WHEREAS, the Landowner owns 126.51 acres in Marshall, Texas ("Tract 1") as described in "Exhibit A" attached hereto, that is currently outside of city limits; and

WHEREAS, the City Council of Marshall, Texas (the "City Council") will receive a petition from the Landowner for annexation of Tract 1 into the city limits (the "Annexation"); and

WHEREAS, the commercial operations that take place on Tract 1 after the Annexation will be subject to City taxes; and

WHEREAS, in response to the Annexation, the City agrees to construct and maintain Martin Lake Loop and provide Municipal Services to Tract 1; and

WHEREAS, a 380 agreement will follow this Agreement further defining the financing of this project; and

WHEREAS, the Parties desire to enter into this Agreement, subject to the approval of the City Council, to provide the terms and conditions under which the Landowner will petition for the Annexation and in exchange, the City will construct and maintain Martin Lake Loop and provide Municipal Services to Tract 1.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and the Landowner contract and agree as follows:

ARTICLE I
ANNEXATION

Section 1.01. Petition for Annexation and Other Required Documents.

a. The Landowner shall execute and submit to the City Council a petition for annexation (the "Annexation Petition") in accordance with Section 2.03 of the Code of Ordinances for the City of Marshall, in a form satisfactory to the City. Thereafter, the Landowner shall provide the City with such supporting documentation as the City may require as necessary to complete the Annexation.

b. In the event that (i) the Landowner fails to execute the Annexation Petition within one (1) month of the date of this Agreement or fails to provide other required documents within 30 days after receipt of a written request therefor, or (ii) if the Annexation fails to occur for any reason, then this Agreement shall terminate.

<u>Section 1.02. Costs of Annexation</u>.

The Landowner will pay all costs associated with the Annexation except for any costs imposed by the City or any of its affiliates.

<u>Section 1.03. Effect of Annexation on Tract 1.</u>

The Parties understand and agree that the following matters will affect Tract 1 after the Annexation:

a. Tract 1 will be subject to customary taxes levied by the City including the payment of sales tax for commercial operations on Tract 1;

b. the Landowner will dedicate to the City at no cost all easements necessary for the construction of public water, sanitary sewer, storm sewer, and drainage facilities on Tract 2 in areas agreed to in writing between the Landowner and the City; and

c. the City will provide municipal services to Tract 1 in accordance with Article II below.

ARTICLE II

<u>SERVICE</u>

Upon, the effective date of the Annexation, the City will provide all routine, customary city services ("Municipal Services") to Tract 1, including but not limited to the following services:

a. <u>Fire</u>. Fire response will be provided by the City at the same level as is provided throughout the City.

b. <u>Police</u>. The City will extend regular and routine patrols to Tract 1.

c. <u>Animal Control</u>. The City will provide animal control services at the same level as is provided throughout the City.

d. <u>Solid Waste Services</u>. The City will provide solid waste collection (trash) services in accordance with existing City ordinances and policies.

e. <u>Water Services</u>. The City will provide adequate supply and volume to service the contemplated development on Tract 1.

f. <u>Sanitary Sewer Service</u>. Landowner will, at their expense, have the opportunity to connect to the City's sanitary sewer service as needed. Any necessary improvements to the City's existing sanitary sewer infrastructure will be borne by the City.

g. <u>Code Compliance</u>. The City will provide education, enforcements, and abatements relating to code violations within the property in accordance with applicable ordinance, laws, rules, and regulations.

ARTICLE III
<u>DEVELOPMENT</u>

In exchange for the Landowner annexing Tract 1, the City agrees to construct and complete Martin Lake Loop. The City and Landowner agree that:

a. the City will construct Martin Lake Loop on a portion of the land described in "Exhibit B" attached hereto ("Tract 2"). The portion of Tract 2 that Martin Lake Loop will occupy will be substantially similar to the road depicted in "Exhibit C" attached hereto which will extend from the Interstate-20 Service Road to the cross streets of Martin Lake Road and Highway 59 ("Martin Lake Loop");

b. Landowner will clear all existing timber and remove all remaining stumps from Martin Lake Loop and will provide a rough graded roadbed with no significant humps or depressions. For the avoidance of doubt, Landowner will not be responsible for inserting culverts or any other drainage infrastructure in significant land depressions which will need such infrastructure;

c. the City will pay all costs associated with the construction of Martin Lake Loop which will include cement-treated base and final asphalt overlay (except for the clearing of all existing timber and the removal of stumps as described in subsection "b" above);

d. the financing of this project will be defined in a 380 agreement between the Landowner and the City and shall not exceed $195,000 (if the 380 agreement is not agreed to by both Parties, this Agreement is null and void);

e. the entirety of Martin Lake Loop will be a two lane, asphalted road built to City standards;

f. the drainage system of Martin Lake Loop will accommodate and coalesce with the drainage associated with both Tract 1 and Tract 2;

g. the Landowner will deed to the City at no cost the necessary land on Tract 2 for the construction of Martin Lake Loop (the "Deeded Land");

h. the Landowner will pay the survey costs associated with separating Martin Lake Loop from Tract 2;

i. the City will grant to Landowner at no cost an easement on the Deeded Land for ingress and egress to Tract 1 and such easement will allow access for commercial access to Tract 1;

j. the City will be solely responsible for maintaining Martin Lake Loop after its completion to the same standard it maintains other City roads; and

k. the City will complete Martin Lake Loop as contemplated by this Agreement no later than 120 days after the clearing of the timber and removal of stumps have been accepted by the City (the "Ending Date"). The city agrees to inform Landowner of its acceptance or rejection of the timber and stump removal within a reasonable time.

ARTICLE IV
MISCELLANEOUS

Section 4.01. Remedies Upon Default. If the Annexation occurs and City fails to construct and substantially complete Martin Lake Loop before the Ending Date and the Landowner pays for the completion of Martin Lake Loop at its expense, the Landowner's sole remedies are to first seek disannexation and if disannexation fails to occur, the Landowner will seek reimbursement from the City as described below.

a. Disannexation. In the event the City fails to construct and substantially complete Martin Lake Loop before the Ending Date and the Landowner pays for the completion of Martin Lake Loop at its own expense, the City agrees, at the request of the Landowner, to promptly disannex Tract 1 and obtain any necessary City approvals to cause the disannexation.

b. Reimbursement. If the Landowner's request for disannexation described in (a) above fails to occur (provided the Landowner may not seek reimbursement if it caused the failure of the disannexation) and the Landowner pays for the completion of Martin Lake Loop at its own expense, the City agrees to reimburse Landowner for the expenses incurred which are not to exceed $195,000 (such expenses will not include expenses from the undertakings described in Section III(b) above).

Section 4.02. City's Liability. The Landowner shall not be liable to any contractor, engineer, attorney, materialman or other company or individual employed by or contracted with the City to build or maintain Martin Lake Loop unless the Landowner expressly assumes such obligation in writing.

Section 4.03. Authority. Subject to City Council approval of this Agreement, the City and Landowner represent and warrant to the other that (i) each Party has the right and authority to enter into, and perform its obligations under this Agreement and (ii) all necessary governmental or limited liability company action has been taken as necessary to authorize this Agreement.

Section 4.04. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 4.05. Modification. This Agreement shall be subject to change or modification only with the mutual written consent of the Landowner and the City.

Section 4.06. Governing Law and Venue. Venue shall be in the state courts located in Harrison County, Texas or the United States District Court for the Eastern District of Texas, Marshall Division and construed in conformity with the provisions of Texas Local Government Code Chapter 43.

Section 4.07. No Waiver. The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

Section 4.07. Governmental Powers. It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.

[*remainder of page left blank intentionally*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

The City of Marshall, Texas

By: ______________________________

Name: ______________________________

Title: ______________________________

Piney Land I, LLC
a Texas limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

EXHIBIT A
Tract 1 Legal Description

Being 126.51 acres of land situated in the Joseph Fields Survey, A-249, Harrison County, Texas, and being all of a called 136 acre tract described in a deed to William L. Martin, recorded in Volume 1986, Page 329, Harrison County Official Public Records, (HCOPR), said 126.51 acre tract being more particularly described by metes and bounds as follows as shown on the plat prepared by MTX Surveying, LLC on file as Job No. 201031, (Bearing Basis: SPC Texas North Central 4202, NAD83, GRID):

BEGINNING at a 2 inch iron pipe "crimped", found for the northwest corner of this tract, same being on the south line of a called 1.845 acre tract described in a deed to Velma Washington, recorded in Volume 4221, Page 161, (HCOPR), and the easternmost north corner of a called 10.169 acre tract described in a deed to Marshall 1-20 East Properties LLC, recorded in File No. 2010-000002661, Harrison County Clerk Files (HCCF), from which a $^1/_2$ inch iron rod with a plastic cap stamped "Cox Sury RPLS 4970" found for the southwest corner of said 1.845 acre tract bears S 85° 39' 49" W, a distance of 39.14 feet;

THENCE N 85° 39' 49" E, with the common line between this tract and said 1.845 acre tract, 173.32 feet to a $^1/_2$ inch iron rod with a plastic cap stamped "Cox Sury RPLS 4970" found, for an angle corner on this tract's north line, same being the southeast corner of said 1.845 acre tract and the southwest corner of a called residue of 50 acres described in a deed to Texie Davis, recorded in Volume 1896, Page 105, (HCOPR);

THENCE N 87° 05' 09" E, with the south line of said residue of 50 acres, 822.71 feet to a % inch iron pipe "bent" found in the base of a tree for the southeast corner of said residue of 50 acres, same being the westernmost southwest corner of a called 142.29 acre tract described in a deed to B, G&N Properties, LLC. recorded in File No. 2019-000012497 (HCCF);

THENCE with the common lines between this tract and said 142.29 acre tract the following courses and distances;

1. N 86° 48' 08" E, a distance of 1736.49 feet to a % inch iron pipe found, for the northeast corner of this tract;

2. S 02° 25' 26" E, a distance of 2091.51 feet (Called 1833.33 feet) to a 1/2 inch iron rod with plastic cap stamped "RPLS 4528" found, for the southeast corner on this tract, same being the northeast corner of a called 14.996 acre tract described in a deed to Michael W. ward and Terry R. Turner-Ward, recorded in File No. 2014-000012247 (HCCF);

THENCE S 88° 05' 52" W, with the south line of this tract, at 391.75 feet pass a $^1/_2$ inch iron rod with plastic cap stamped "RPLS 4528" found, for the northwest corner of said 14.996 acre tract, same being the northeast corner of a called Middle 17.5 acre tract described in a deed to Lisa Ford recorded in Volume 1373, Page 295, Harrison County Deed Records (HCDR), at a distance of 860.36 feet pass a $^1/_2$ inch iron rod with plastic cap stamped "RPLS 4528" found, for the northwest corner of said 17.5 acre tract, same being the northeast corner of a called Westernmost 17.5 acre tract described in a deed to Terry Turner, recorded in Volume 1373, Page 295 (HCDR), at a distance of 1342.25 feet pass a'/2 inch iron rod with a plastic cap stamped "Cox Sury RPLS 4970" found, for the northwest corner of said Westernmost 17.5 acre tract, same being the northeast corner of a called 19.984 acre tract described in a deed to Terry R. Turner, recorded in File No. 2017-000004325 (HCCF), at a distance of 1910.26 feet pass a $^1/_2$ inch iron rod with plastic cap stamped "RPLS 4528" found, for the northwest corner of said 19.984 acre tract, same being the northeast corner of a called 20.009 acre tract described in a deed to Terry R. Turner, recorded in Volume 3392, Page 135, (HCOPR), continuing an overall distance of 2313.82 feet to a 1/2 inch iron rod with plastic cap "unreadable", found for the northwest corner of said 20.009 acre tract, same being the northeast corner of a called residue of 13.52 acre Tract 3, described in a deed to Virginia Person Jarrell, recorded in Volume 608, Page 485 (HCDR);

THENCE S 88° 01' 50" W, with the south line of this tract and the north line of said residue of 13.52 acres, 288.63 feet to a 3/4 inch iron pipe "crimped", found for the southwest corner of this tract, same being on the east line of a called Gateway Park Subdivision, being recorded in Cabinet B, Slide 129-B, Harrison County Plat Records (HCPR);

THENCE N 06° 24' 04" W, with the west line of this tract, at a distance of 1203.22 feet pass a'/2 inch iron rod with a plastic cap stamped "Cox Sury RPLS 4970", found for reference continuing on passing the northeast corner of said Gateway Park Subdivision, same being the southeast corner of a called residue of 18.55 acre Second tract, described in a deed to Richard M. Anderson, recorded in Volume 1341, Page 534, (HCDR), at a distance of 1818.94 feet pass a 5/8 inch iron rod, found 0.58 feet left of line, continuing an overall distance of 1835.32 feet to a 1/2 inch iron rod with a plastic cap stamped "Cox Sury RPLS 4970", found for the northeast corner of said residue of 18.55 acre Second Tract, same being the southeast corner of said 10.169 acre tract;

THENCE N 03° 09' 41" W, with the east line of said 10.169 acre tract, 200.99 feet to the PLACE OF BEGINNING and containing 126.51 acres of land, more or less.

<u>EXHIBIT B</u>
Tract 2 Legal Description

Tract One:

Being 1.578 acres of land situated in the Joseph Fields Survey, A-249, and the J. Page Survey, A-538 Harrison County, Texas, and being a portion of a called 149 acre tract described in a deed to C.K. Cox, recorded in Volume 35, Page 197, Harrison County Deed Records, (HCDR), said 1.578 acre tract being more particularly described by metes and bounds as follows as shown on the plat prepared by MTX Surveying, LLC on file as Job No. 21114, Dwg. No. 21114-1 (Bearing Basis: SPC Texas North Central 4202, NAD83, GRID):

BEGINNING at a ½ inch iron rod with plastic cap stamped “Cox Surv RPLS 4970”, found on the east right of way of Highway 59, for the south line of said 149 acre tract, same being the northwest corner of a Gateway Park Subdivision, recorded in Cabinet B, Slide 129-B, Harrison County Plat Records, (HCPR), from which a ½ inch iron rod with plastic cap stamped “Cox Surv RPLS 4970”, found bears S 01° 33’ 51” W, 11.98 feet, and a ½ inch iron rod with plastic cap stamped “4970” found for the westernmost southwest corner of said Gateway Park Subdivision bears S 00° 44’ 34” W, a distance of 235.27 feet;

THENCE N 01° 45’ 34” E, with the east right of way of said Highway 59, 36.28 feet to a ½ inch iron rod with plastic cap stamped “Cox Surv RPLS 4970”, found, for the westernmost northwest corner of this tract, same being the southwest corner of a called 5.192 acre tract described in a deed to QT South LLC, recorded in File No. 2020-000013616, Harrison County Clerk Files (HCCF), from which a ½ inch iron rod with plastic cap stamped “1519 Surveying”, found bears N 78° 00’ 18” E, 7.94 feet;

THENCE N 85° 56’ 02” E, with the south line of said 5.192 acre tract, 732.42 feet to a ½ inch iron rod with plastic cap stamped “1519 Surveying” found for the southeast corner of said 5.192 acre tract, and the south line of a called 18.55 acre tract, as described in a deed recorded in Volume 1341, Page 534, from which a ½ inch iron rod with plastic cap stamped “1519 Surveying” found, for the easternmost northeast corner of said 5.192 acre tract, same being an angle corner on the west line of said 18.55 acre tract bears N 04° 00’ 25” W, a distance of 318.90 feet;

THENCE N 86° 18’ 52” E, with the south line of said 18.55 acre tract, 1317.50 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set, on the east line of said residue of 18.55 acre tract, for the northeast corner of this tract, same being on the west line of the called residue of 136 acres described in a deed to William L. Martin, recorded in Volume 1986, Page 329, (HCOPR)

THENCE S 06° 24’ 19” E, with the east line of said residue of 18.55 acre tract, 27.79 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set in a gravel road, for the southeast corner of this tract, same being the southeast corner of said 149 acre tract, same being the northeast corner of said Gateway Park Subdivision, from which a ½ inch iron rod with plastic cap stamped “Cox Surv RPLS 4970”, found bears S 06° 24’ 19” E, a distance of 30.06 feet;

THENCE S 85° 56’ 44” W, with the south line of said 149 acre tract and said Gateway Park Subdivision, at 1318.64 feet passing a set ½” iron rod with plastic cap stamped “MTX Surveying”, continuing along the same course another 736.07 feet to the PLACE OF BEGINNING and containing 1.578 acres of land, more or less.

Tract Two:

Being 16.746 acres of land situated in the Joseph Fields Survey, A-249, J. Page Survey, A-538, and the T. Perry Survey, A-571, Harrison County, Texas, and being a portion of a called residue of 18.55 acre Second Tract described in a deed to Richard M. Anderson, recorded in Volume 1341, Page 534, Harrison County Deed Records, (HCDR), said 16.746 acre tract being more particularly described by metes and bounds as follows as shown on the plat prepared by MTX Surveying, LLC on file as Job No. 21114, (Bearing Basis: SPC Texas North Central 4202, NAD83, GRID):

BEGINNING at a ½ inch iron rod with plastic cap stamped “Cox Surv RPLS 4970”, found for the easternmost northeast corner of said residue of 18.55 acre tract, same being on the west line of the called 136 acre tract described in a deed to William L. Martin recorded in Volume 1986, Page 329, Harrison County Official Public Records (HCOPR), and the southeast corner of a called 10.169 acre tract described in a deed to Marshall I-20 Properties, LLC recorded in File No. 2010-000002661 (HCCF); from which a found 5/8 inch iron rod bears S 04° 21” 36” E, 16.39 feet, and a 2 inch iron pipe “crimped” found for the northwest corner of said residue of 136 acres bears N 03° 09’ 41” W, 200.99 feet;

THENCE S 06° 24’ 19” E, with the common line between said residue of 18.55 acre tract and said 136 acres tract 574.24 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set, for the southeast corner of this tract, same being the northeast corner of a 1.578 acre Tract One surveyed this same date, from which a ½ inch iron rod with plastic cap stamped “MTX Surveying” set in a gravel road, for the southeast corner of said 1.578 acre tract, bears S 06° 24’ 19” E, a distance of 27.79 feet;

THENCE S 86° 18’ 52” W, with the south line of said 18.55 acre tract and with the north line of said 1.578 acre Tract One, 1317.50 feet to a ½ inch iron rod with plastic cap stamped “1519 Surveying” found for the southeast corner of a called 5.192 acre tract described in a deed to QT South LLC, recorded in File No. 2020-000013616, Harrison County Clerk Files (HCCF), same being the southwest corner of said residue of 18.55 acre tract;

THENCE N 04° 00’ 25” W, with a western line of said residue of 18.55 acres and the east line of said 5.192 acre tract, 318.90 feet to a ½ inch iron rod with plastic cap stamped “1519 Surveying” found for an angle corner on said residue of 18.55 acre tracts west line, same being the easterly northeast corner of said 5.192 acre tract, and on the south line of a called 2.2953 acre tract described in a deed to Aryan Group LLC, recorded in File No. 2016-000010468 (HCCF), from which a ½ inch iron rod found for the southwest corner of said 2.2953 acre tract bears S 84° 51’ 48” W, a distance of 210.76 feet;

THENCE with the common line between said residue of 18.55 acres and said 2.2953 acre tract the following courses and distances; 1) N 84° 44’ 25” E, a distance of 34.30 feet to a ½ inch iron rod, found; 2) N 05° 09’ 29” W, a distance of 160.31 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set, for the westernmost northwest corner of this tract, same being the southwest corner of a 1.755 acre tract surveyed this same date, from which a ½ inch iron rod found, for an angle corner on the east line of said 2.2953 acre tract bears N 05° 09’ 29” W, 203.91 feet ;

THENCE over and across said residue of 18.55 acre tract, and with the common line with said 1.755 acre tract the following courses and distances; 1) S 88° 10’ 11” E, a distance of 230.64 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set; 2) N 05° 00’ 29” W, a distance of 73.37 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set; 3) S 86° 01’ 06” W, a distance of 39.94 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set; 4) N 05° 01’ 08” W, a distance of 357.33 feet to a ½ inch iron rod with plastic cap stamped “MTX Surveying” set, on the south margin of Interstate 20 Access Road, for the northern most northwest corner of this tract, same being the northeast corner of said 1.755 acre tract;

THENCE N 60° 43’ 22” E, with the south right of way of said Access Road and the north line of said 18.55 acre tract, 43.88 feet to a ½ inch iron rod found for the northernmost northeast corner of this tract, same being the northwest corner of said 10.169 acre tract;

THENCE with the common line between said residue of 18.55 acres and said 10.169 acre tract the following courses and distances; 1) S 05° 00’ 29” E, a distance of 336.03 feet to a ½ inch iron rod with plastic cap stamped “RPLS 4528”, found; 2) N 86° 11’ 06” E, a distance of 1034.91 feet to the PLACE OF BEGINNING and containing 16.746 acres of land, more or less.

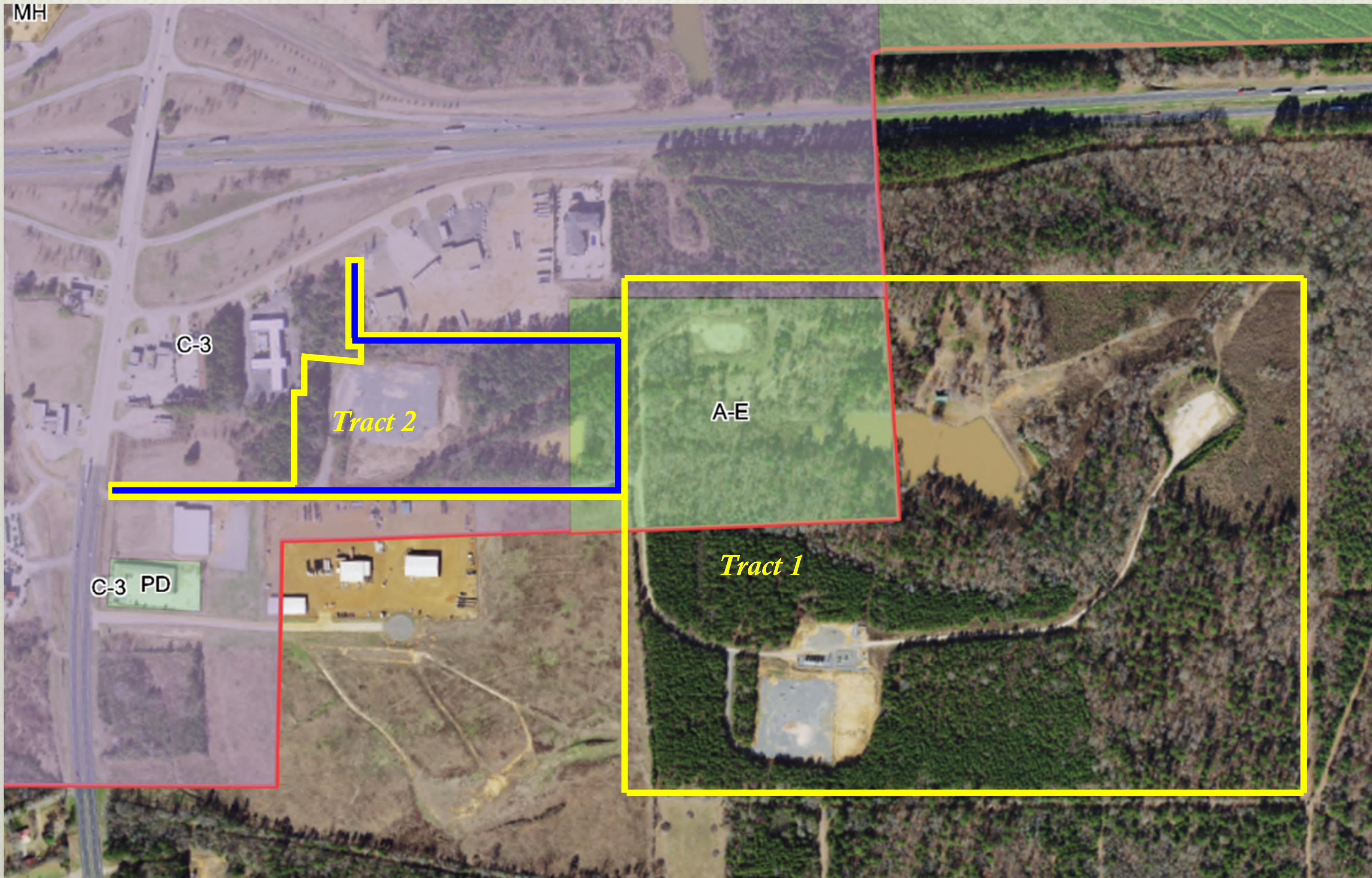
EXHIBIT C
Martin Lake Loop

SEE ATTACHED

Exhibit C

Property Boundary Lines
page 94

New Road – Martin Lake Loop



ITEM 9F

CONSIDER APPROVAL OF AN EXPENDITURE IN EXCESS OF $50,000 AS AN INCENTIVE FOR PROJECT LIT, ALSO KNOWN AS PINEY LAND I, LLC

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (EDC AGREEMENT) by and between ***MARSHALL ECONOMIC DEVELOPMENT CORPORATION***, a Texas non-profit corporation (hereinafter referred to as "EDC"), the ***CITY OF MARSHALL, TEXAS*** ("CITY"), and ***PINEY LAND I, LLC***, a Texas corporation**,** ("COMPANY"), is made and executed on the following recitals, terms, and conditions.

WHEREAS, EDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the "**Act**"), 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, in pertinent part of this subtitle allows for "project" to include *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; or (3) beach remediation along the Gulf of Mexico.*

WHEREAS, CITY desires to enter an ANNEXATION, SERVICE, and DEVELOPMENT AGREEMENT with COMPANY, the same being presented to the City Council of Marshall, Texas on June 10, 2021 ("CITY AGREEMENT"), to develop new business enterprises amongst other purposes as described in the CITY AGREEMENT; and

WHEREAS, CITY desires that EDC participate in an expenditure of funds pursuant to Section 501.103 of the Texas Local Government Code in an amount not to exceed $97,500 (ninety seven thousand, five hundred dollars), to be paid to the CITY for reimbursement of expenses, for, and only for, expenditures associated to roadwork infrastructure associated with the new business enterprises of the COMPANY as stipulated in the CITY AGREEMENT; and

WHEREAS, EDC's Board of Directors has determined incentives provided on behalf of COMPANY through the CITY for the expansion of new business enterprises in Marshall and Harrison County, Texas 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; and

WHEREAS, EDC has approved the allotment of incentives of an amount not to exceed $97,500 on June ___, 2021 for the EDC AGREEMENT; and

WHEREAS, it is required of the EDC to seek approval of the City Council of Marshall, Texas prior to an expenditure greater than $50,000 (fifty thousand dollars) and said approval would be granted to the EDC in effect by the approval of the CITY AGREEMENT to be attached to, and made a part of, the EDC AGREEMENT, if and only if, said CITY AGREEMENT is officially approved;

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, the parties 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

EDC AGREEMENT shall be effective as of the Effective Date of the CITY AGREEMENT and shall continue thereafter until all obligations of the parties have been performed in accordance with the terms of the CITY AGREEMENT, but not to exceed 1 year.

SECTION 3. AFFIRMATIVE COVENANTS OF COMPANY

COMPANY agrees to comply with all terms of the CITY AGREEMENT including investment expenditures and other provision as provided therein.

SECTION 4. AFFIRMATIVE COVENANTS OF EDC

EDC covenants and agrees with the COMPANY that it will reimburse an amount not to exceed $97,500 (ninety-seven thousand, five hundred dollars) to the CITY upon notice of authorization to pay for infrastructure development as described in the CITY AGREEMENT.

SECTION 5. ~~EVENTS OF DEFAULT.~~ FAILURE TO DEVELOP PROJECT

~~Should the CITY AGREEMENT be found in default, so shall this EDC AGREEMENT. Once restitution of funds per terms of the CITY AGREEMENT is made by COMPANY to CITY, CITY shall promptly reimburse EDC the amount of funds expended for this EDC AGREEMENT in accordance with the CITY AGREEMENT.~~ In the event that the EDC has made the payment required under Section 4 of this agreement and the COMPANY fails to develop the project contemplated by the CITY AGREEMENT for any reason, the CITY shall return to the EDC any unused portion of the EDC's payment.

SECTION 6. INDEMNIFICATION.

The following indemnification provisions are agreed between the parties:

(a) COMPANY ~~and CITY~~ shall indemnify, defend and hold harmless EDC, its directors, officers, agents, attorneys, and employees (collectively, the "**EDC Indemnities**") from and against any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any ~~M~~EDC Indemnitee suffers or incurs as a result of (i) any and all claims, demands, actions or causes of action that are asserted against such ~~M~~EDC Indemnities if such claim, demand, action or cause of action directly or indirectly relates to a material breach by COMPANY of any of its obligations or representations under this Agreement that is not timely cured; (ii) any administrative or investigative proceeding by any governmental authority directly or indirectly related to such claim, demand, action or cause of action where ~~M~~EDC is a disinterested party; or (iii) gross negligence or intentional or willful misconduct of COMPANY, its directors, officers, agents, attorneys, and employees.

(b) EDC shall indemnify, defend and hold harmless CITY and COMPANY, its directors, officers, agents, attorneys, and employees (collectively, the "**CITY Indemnities**" and "**COMPANY Indemnities**", respectively) from and against any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any **COMPANY Indemnitee** or CITY Indemnitee suffers or incurs as a result of gross negligence or intentional or willful misconduct of EDC, its directors, officers, agents, attorneys, and employees.

(c) Notwithstanding anything to the contrary contained in this Agreement, in no event shall either party be liable for the loss of profits or special, indirect, multiple, consequential or punitive damages incurred by the other party hereto, regardless of whether the possibility of such damages or loss was disclosed to or reasonably foreseeable by such party.

(d) If any claim, demand, action or cause of action is asserted against any EDC Indemnities, CITY Indemnities, or COMPANY Indemnities, such indemnities shall promptly notify the other party. If requested by the other party in writing, such indemnities shall contest in good faith the validity, applicability and amount of such claim, demand, action or cause of action and shall permit the other party to participate in such contest. Any indemnitee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which the other party may be liable for payment of indemnity hereunder shall give the other party written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain the other party's concurrence thereto.

(e) SECTION 7. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are part of this Agreement:

(a) **Amendments**. This Agreement, together with any Related Documents, 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 Harrison County, Texas. Venue for any action arising under this Agreement shall be in the state district courts of Harrison County, Texas.

(c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.

(d) **Binding Obligation.** This Agreement shall become a binding obligation on the parties upon execution by all signatories hereto. CITY and COMPANY warrants and represents that the individual or individuals executing this Agreement on behalf of CITY and COMPANY has full authority to execute this Agreement and bind CITY and COMPANY to the same. EDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.

a. **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.

b. **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.

c. **Severability**. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

d. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

(e) **Undocumented Workers.** COMPANY certifies that COMPANY 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 Agreement, COMPANY is convicted of a violation under 8 U.S.C. § 1324B(f), COMPANY shall repay the amount of $100,000 provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date MEDC notifies COMPANY of the violation.

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

PINEY LAND I, LLC

a Texas corporation

By: ________________________________
Name:
Title:

Date Signed: ______________________________

CITY OF MARSHALL, TEXAS

By: ______________________________________
Name:
Title:

Date Signed: ______________________________

MARSHALL ECONOMIC DEVELOPMENT CORPORATION,
a Texas non-profit corporation

By: ______________________________________
Name: Jeremy Spears
Title: Chairman

Date Signed: ______________________________

ATTEST:

By: ___________________________

Keith Hill, Secretary

Marshall Economic Development Corporation

ITEM 10

CONSIDERATION OF ITEMS WITHDRAWN FROM THE CONSENT AGENDA

ITEM 11

ADJOURNMENT