

STATE OF TEXAS §

COUNTY OF BRAZOS §

CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT
BOWIE SCHOOL RENOVATION

This Agreement is entered into on this ___ day of _____, 2019, by and between the City of Bryan, Texas (“City”) a home rule municipal corporation and GVBM, LLC (“Developer”) a limited liability company created and operating pursuant to the laws of the State of Texas.

WHEREAS, the Texas Constitution prohibits any City, or other political subdivision, from lending its credit or granting public money to any individual, association or corporation whatsoever without a valid public purpose for doing so, but the definition of public purpose specifically includes economic development and diversification, elimination of unemployment and underemployment, stimulation and growth of agriculture, and the expansion of state transportation and commerce; and

WHEREAS, Chapter 380 of the Texas Local Government Code (“Chapter 380”) was passed to implement the provisions of 52-a; accordingly Chapter 380 permits the governing body of a municipality to establish and provide for the administration of one or more programs, to promote state or local economic development and to stimulate business and commercial activity within the city limits of the municipality (“Permitted Area”); and

WEHREAS, Developer is in the process of renovating a structure with historic value in Downtown Bryan, which has deep roots in the community and which has been derelict for decades and in addition to revitalizing a piece of the City’s history, the Property will be occupied by businesses bringing in at least (70) full time employees, millions of dollars in investment, and millions more in annual payroll; and

WHEREAS, in order to make the revitalization of this community asset a viable project, Developer is requesting the City’s participation to encourage the job growth that this project is expected to create; and

WHEREAS, the City Council finds that the costs associated with this Agreement are outweighed by the community benefits to be gained, and that it is in the best interests of the citizens of this community to spur economic development in this area by supporting this project.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

A. Developer Obligations

1. *Renovation.* Developer will comply with City codes and ordinances and will obtain a certificate of occupancy within twelve (12) months of the execution of this Agreement. Developer will invest approximately \$4,000,000 into the renovation of the Property, resulting in an increase in the appraised value per Brazos Central Appraisal District (“BCAD”) from \$100,880 as of the effective date of this Agreement to \$5,000,000 within twelve (12) months following issuance of a certificate of occupancy. Developer will maintain such BCAD value through the end of the term of this Agreement. Subject to any lawfully available appeal procedure, Developer agrees to timely pay all ad valorem taxes owed on the Property (not including personal property taxes for tenants other than Developer).

2. *Employment.* Within twelve (12) months following issuance of the certificate of occupancy, Developer shall have created seventy (70) full time employee positions with an aggregate annual payroll of \$5,250,000. Developer shall maintain such positions and payroll through the end of the term of this Agreement.
3. *Certification of Compliance.* Starting twelve (12) months after issuance of a certificate of occupancy for the Property, Developer shall be required to submit an annual certificate of compliance documenting that Developer is meeting or has met the benchmarks set forth in this Agreement. The Certificate must be accompanied by supporting documentation. Specifically Developer must produce a tax receipt showing that ad valorem taxes have been paid on the Property and that the appraised value has met the benchmark set forth above. Developer must also produce copies of the preceding year's "Reimbursing Employer's Quarterly Reports" (or similar reports by whatever name) required by be filed with the Texas Workforce Commission (or successor agency) for purposes of administering the Texas Unemployment Compensation Act (Tex. Labor Code, Ch. 201 et. seq. as may be amended).

B. City's Obligations

4. *Permit fees.* The City agrees to waive all fees for building, mechanical, plumbing, or electrical permits during the term of this Agreement.
5. *Façade Improvement Grant.* The City will offer a grant of \$200,000 as reimbursement for façade improvements. The first payment of \$100,000 is payable upon issuance of a certificate of occupancy. The second payment of \$100,000 is payable twelve (12) months after issuance of a certificate of occupancy. This grant is contingent upon Developer being in compliance with the terms, conditions, and benchmarks set forth in this Agreement, and the second payment will not be paid until a Certificate of Compliance has been received.
6. *Buried Utilities.* The City will reimburse Developer for the cost of placing electrical utilities (and other cables, wires, fiber, utilities, etc. located on electrical poles) underground. The amount will be based on invoices reflecting actual amounts paid by Developer, but in any event shall not exceed \$100,000. To the extent necessary, the City will assist in coordinating with other utilities to facilitate the burial.
7. *Parking.* The City agrees to build on-street parking at a location and pursuant to a design agreeable to both parties. The cost of such construction shall not exceed \$100,000.
8. *Life Safety Grant.* The City agrees to allow Developer to apply for grant funds for eligible projects through the Life Safety Grant program. Developer shall follow the stand application procedures and guidelines for the Life Safety Grant program.
9. *Funding.* This Agreement is subject to annual appropriation for same by the City Council. All funds to be paid by the City are payable from lawfully available funds.

C. Term, Breach, & Termination

10. This Agreement shall have a term of five (5) years following execution
11. If the Developer fails to comply with any provision of this agreement, the City may notify Developer of the breach in writing, at which point Developer shall have thirty (30) days to cure same. If the breach cannot be reasonably cured within thirty (30) days, the parties may agree in

writing to a longer period of time to cure. Failure to timely cure such a breach shall be an event of default, and the City may terminate this Agreement.

12. If Developer is in default on this Agreement, in addition to other remedies available in equity or at law, the City is entitled to claw back an amount equal to the permit fees waived under this Agreement.

D. Miscellaneous

13. Notices. Any notices sent under this Agreement shall be deemed served when delivered via certified mail, return receipt requested to the addresses designated herein or as may be designated in writing by the parties:

If to City: City Manager
 City of Bryan
 P.O. Box 1000
 Bryan, Texas 77805

If to Developer: GVBM, LLC
 c/o Johanna Gessner
 2501 Ashford Drive
 College Station, Texas 77840

14. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of such deleted provision, there shall be added as part of this Agreement a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.
15. Texas law to apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas and the obligations of the parties created hereunder are performable by the parties in the City of Bryan, Texas. Venue for any litigation arising under this Agreement shall be in a court of appropriate jurisdiction in Brazos County, Texas.
16. Sole Agreement. This Agreement constitutes the sole and only Agreement of the Parties hereto respecting the subject matter covered by this Agreement, and supersedes any prior understandings or written or oral agreements between the parties.
17. Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing and dated subsequent to the date hereof and duly executed by the parties hereto.
18. Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any and all other legal remedies. Said rights and remedies are provided in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
19. No Waiver. City's failure to take action to enforce this Agreement in the event of Developer default or breach of any covenant, condition, or stipulation herein on one occasion shall not be treated as

a waiver and shall not prevent City from taking action to enforce this Agreement on subsequent occasions.

20. Incorporation of Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.
21. Incorporation of Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.
22. Headings. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs.
23. Duplicate Originals. The parties may execute this Agreement in duplicate originals, each of equal dignity. If the parties sign this Agreement on different dates, the later date shall be the effective date of this Agreement for all purposes.
24. Gender and Number. Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa, unless the context requires otherwise

Executed and effective on this the ____ day of _____, 2019.

CITY OF BRYAN:

GVBM, LLC:

Andrew Nelson, Mayor

Johanna Gessner, Managing Member

ATTEST:

Mary Lynne Stratta, City Secretary

APPROVED AS TO FORM:

Janis Hampton, City Attorney