

**TAX INCREMENT REINVESTMENT ZONE #1, BAKER BOULEVARD  
MEETING AGENDA  
CITY HALL, 3200 DIANA DRIVE  
APRIL 11, 2022 at 6:00 PM**

The Richland Hills Tax Increment Reinvestment Zone #1 meeting is open to the public. If Executive Session is required, it will be held in the City Hall Conference Room and is closed to the public. Please note that although the Board will generally consider the items on the agenda in the order shown below, they may elect to re-order items in order to accommodate the needs of the Board, city staff, presenters, or the public generally. Therefore, members of the public interested in any agenda item are encouraged to be in attendance at the start of the meeting.

**1. CALL TO ORDER**

**2. EXECUTIVE SESSION**

**A. Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the Tax Increment Reinvestment Zone #1 to seek advice from the City Attorney as to the posted subject matter of this Tax Increment Reinvestment Zone #1 meeting.**

**B. Reconvene:** Action necessary on items discussed in Executive Session

**3. PUBLIC COMMENTS**

This is the public's opportunity to address the Tax Increment Reinvestment Zone #1 Board about non-agenda items. In compliance with the Texas Open Meetings Act, Board members and city staff are prevented from discussing non-agenda items and may only respond with statements of factual information or existing city policy.

**REGULAR AGENDA**

- 4.** Approve minutes from the January 10, 2022 Tax Increment Reinvestment Zone #1 meeting.
- 5.** Consider termination of Development Agreement for the Baker Landing Planned Development (PD) at 7100 Baker Boulevard and 3209 Ask Park Drive, Richland Hills, Texas 76118

**6. ADJOURNMENT**

## CERTIFICATE

I hereby certify that the above agenda was posted on this the 7<sup>th</sup> day of April 2022, by 5:30 p.m., on the official bulletin board at the Richland Hills City Hall, 3200 Diana Drive, Richland Hills, Texas, pursuant to the Texas Government Code, Chapter 551.

*Lindsay Wells*

Lindsay Wells  
City Secretary



## ACCESSIBILITY STATEMENT

The Facility is wheelchair accessible. If you plan to attend this public meeting and have a disability that requires special arrangements, please notify the City Secretary 48 hours in advance at (817) 616-3810 and reasonable accommodations will be made to assist you.

# Memorandum

To: Tax Increment Reinvestment Zone #1 Board of Directors

From: Lindsay Wells, City Secretary

Date: April 11, 2022

Subject: Minutes from the January 10, 2022 Richland Hills Tax Increment Reinvestment Zone #1 Meeting

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## **Agenda Item:**

Approval of January 10, 2022 Richland Hills Tax Increment Reinvestment Zone #1 Meeting Minutes

## **Background Information:**

N/A

## **Financial Considerations:**

N/A

## **Board/Citizen Input:**

N/A

## **Attachments:**

January 10, 2022 Draft Minutes

## **Board Action Requested:**

Motion to approve the minutes from the January 10, 2022 Richland Hills Tax Increment Reinvestment Zone #1 meeting

**Richland Hills Tax Increment Reinvestment Zone #1, Baker Boulevard  
Board of Directors Meeting  
Minutes**

**Monday, January 10, 2022**

**5:00 P.M.**

**Richland Hills City Hall  
3200 Diana Drive**

Board Members Present:

Edward Lopez  
Douglas Knowlton  
Curtis Bergthold  
Javier Alvarez

Board Members Present Via Teleconference:

G.W. Estep

Board Members Absent:

Stacey L. Morse  
Rebecca Barksdale

Staff

Candice Edmondson, City Manager  
Lindsay Wells, City Secretary

Staff Present Via Teleconference

Betsy Elam, City Attorney

**1. CALL TO ORDER**

Mayor Lopez called to order at 5:38 p.m.

**2. EXECUTIVE SESSION**

**A. Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the Tax Increment Reinvestment Zone #1 to seek advice from the City Attorney as to the posted subject matter of this Tax Increment Reinvestment Zone #1 meeting.**

**Motion:** Motion was made by Board Member Knowlton and seconded by Board Member Bergthold to convene into Executive Session. Time: 5:38 p.m.

Motion carried by a vote of 5-0.

**B. Reconvene:** Action necessary on items discussed in Executive Session

Mayor Lopez reconvened from Executive Session at 6:18 p.m.

**3. PUBLIC COMMENTS**

*This is the public's opportunity to address the Tax Increment Reinvestment Zone #1 Board on any matter not posted on the agenda. Citizen comments emailed to*

*Lindsay Wells ([lwells@richlandhills.com](mailto:lwells@richlandhills.com)) on an item either listed on this agenda or not listed on this agenda will be heard at this time.*

None

## **REGULAR AGENDA**

### **4. Approve minutes from the August 24, 2020 Tax Increment Reinvestment Zone #1 meeting**

**Motion:** Motion was made by Board Member Knowlton and seconded by Board Member Alvarez to approve the August 24, 2020 TIRZ #1 meeting minutes.

Motion carried by a vote of 5-0.

### **1. Approved Development Agreement for the Baker Landing Planned Development (PD) at 7100 Baker Boulevard and 3209 Ash Park Drive, Richland Hills, Texas 76118**

City Manager Candice Edmondson presented the proposed Development Agreement and advised that the Skorburg Company applied for a zoning change from Mixed Use (MX) to Planned Development (PD) on the property located at 7100 Baker Boulevard and 3209 Ash Park Drive to be called Baker Landing.

As part of the proposal, the Skorburg Company is requesting City participation for the project in the amount of \$400,000, \$275,000 in reimbursements for public sewer and water improvements and \$125,000 in reimbursements for permit fees. Funding for the project is currently available in the TIF Fund.

Bryan Holland, Development Partner for Skorburg Company, 8214 Winchester Drive, Suite 900, Dallas, Texas, presented the Baker Landing development to the TIRZ Board and provided additional details including building renderings, proposed home valuations, and the proposed site plan. He advised of modifications to the plan and the Developer is now proposing to build a 69-unit multi-family townhome community on the site. Changes to the original proposal include decreasing the density from 80 units to 69 (11.4 units per acre to 10 units per acre), increasing the minimum lot width from 20 feet to 24 feet, decreasing the minimum building width from 75 feet to 70 feet and decreasing the minimum lot size from 6,000 square feet to 5,600 square feet.

City Manager Edmondson explained that construction must commence on public improvements by September 25, 2022, and completed within 15 months. Private improvements must be started no later than 60 days after the public improvements have been substantially completed and approved with completion required within 24 months. The developer is not entitled to reimbursement if the timelines are not met.

Discussion ensued regarding the addition of a dog park for residents and a Homeowners Association. Additionally, the TIRZ Board requested changes to the

Development Agreement including lowering the required amount the Developer must expend on public improvements from \$1,200,000 to \$1,000,000. Upon completion of the public improvements, Skorborg Company will receive \$275,000 in reimbursements and upon completion of private improvements, they will receive the remaining \$125,000.

**Motion:** Motion was made by Board Member Knowlton and seconded by Board Member Bergthold to approve the Development Agreement for the Baker Landing Planned Development (PD) at 7100 Baker Boulevard and 3209 Ash Park Drive, Richland Hills, Texas 76118 with the included financial language changed.

Motion carried by a vote of 5-0.

## 5. ADJOURNMENT

**Motion:** A motion was made by Board Member Bergthold and seconded by Board Member Knowlton to adjourn.

Motion carried by a vote of 5-0.

There being no further business to come before the Board, Mayor Lopez declared the meeting adjourned at 6:46p.m.

**ATTEST:**

**APPROVED:**

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Lindsay Wells, City Secretary

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Edward Lopez, Mayor

# Memorandum

To: Tax Increment Reinvestment Financing Zone #1 Board Members

From: Candice Edmondson, City Manager

Date: April 11, 2022

Subject: Termination of Baker Landing Development Agreement

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## **Agenda Item:**

Consider termination of Development Agreement for the Baker Landing Planned Development (PD) at 7100 Baker Boulevard and 3209 Ash Park Drive, Richland Hills, Texas 76118

## **Background Information:**

On January 10, 2022 the Tax Increment Reinvestment Zone (TIRZ) Board and City Council approved a Development Agreement for the Baker Landing Planned Development located at 7100 Baker Boulevard and 3209 Ash Park Drive. The Agreement was fully executed by all parties on February 22, 2022. After further discussion with the builder, the Skorburg Company (Developer) has requested to terminate the Development Agreement and is no longer seeking financial participation from the City for the project.

In order to officially terminate the Development Agreement, the TIRZ Board and City Council must approve the Agreement to Terminate attached to this memo.

## **Financial Considerations:**

City participation for the project had been approved in the amount of \$400,000. That funding will no longer be used for this project and will remain in the Tax Increment Financing (TIF) Fund.

## **Legal Review:**

The City Attorney has reviewed the Termination Agreement

## **Board/Citizen Input:**

The City Council will consider the Termination Agreement on April 11, 2022 following the TIRZ Board meeting.

**Attachments:**

Agreement to Terminate the Development Agreement for Public Improvements in Reinvestment Zone Number One, City of Richland Hills between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and Skorburg Retail Corporation

**Board Action Requested:**

Motion to approve termination of Development Agreement for the Baker Landing Planned Development (PD) at 7100 Baker Boulevard and 3209 Ash Park Drive Richland Hills, Texas 76118

**AGREEMENT TO TERMINATE THE “DEVELOPMENT AGREEMENT FOR PUBLIC IMPROVEMENTS IN REINVESTMENT ZONE NUMBER ONE, CITY OF RICHLAND HILLS BETWEEN THE CITY OF RICHLAND HILLS, TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS AND SKORBURG RETAIL CORPORATION”**

THIS TERMINATION (“Termination”) is entered into by and among the City of Richland Hills, a Texas municipal corporation of Tarrant County, Texas (hereinafter called “City”); acting by and through its City Manager, the Board of Directors of the Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas (hereinafter called “Board”), acting by and through its Board President; and Skorborg Retail Corporation, a Texas corporation (hereinafter called “Developer”), acting by and through its corporate office.

**WITNESSETH:**

**WHEREAS**, on February 22, 2022, the City, the Board, and the Developer entered into an agreement titled “Development Agreement for Public Improvements in Reinvestment Zone Number One, City of Richland Hills between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and Skorborg Retail Corporation” attached hereto as Exhibit A (hereinafter referred to as the “Development Agreement”); and

**WHEREAS**, the parties now wish to mutually agree to terminate the Development Agreement.

**WHEREAS**, no actions have been taken by any party in furtherance of the Development Agreement that would create or impose any contractual obligation upon another party in connection to the Development Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

**SECTION 1. TERMINATION**

The City, the Board, and the Developer hereby agree that the Development Agreement is terminated and all parties are hereby released from any duties or obligations associated with the Development Agreement, including, without implied limitation, Section 10.

## **SECTION 2. MISCELLANEOUS MATTERS**

- A. Agreement Subject to Law. This Termination is made subject to the provisions of the ordinances of the City, as amended, and all applicable state and federal laws.
- B. Interpretation. This Termination shall not be construed against the drafting party.
- C. Counterparts Deemed Original. This Termination may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- D. File in Deed Records. The City Secretary is directed to file this Termination in the Deed Records of Tarrant County.

## **SECTION 3. EFFECTIVE DATE.**

This Agreement shall become effective upon the last to occur of the execution of the Agreement by all parties.

**CITY OF RICHLAND HILLS, TEXAS**

By: \_\_\_\_\_  
Candice Edmondson, City Manager

Date: \_\_\_\_\_

STATE OF TEXAS       §  
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Candice Edmondson, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that she is the City Manager of the City of Richland Hills, Texas and that she is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

[Notary Seal]

\_\_\_\_\_  
Notary Public, State of Texas

**TAX INCREMENT FINANCING REINVESTMENT ZONE  
NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS**

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

Name: \_\_\_\_\_  
Board President

Date: \_\_\_\_\_

STATE OF TEXAS       §  
COUNTY OF TARRANT   §

BEFORE ME on this day personally appeared Edward Lopez, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Board President of Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

[Notary Seal]

\_\_\_\_\_  
Notary Public, State of Texas

**SKORBURG RETAIL CORPORATION**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF TEXAS           §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME on this day personally appeared \_\_\_\_\_, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the \_\_\_\_\_ of Skorburg Retail Corporation, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

[Notary Seal]

\_\_\_\_\_  
Notary Public, State of Texas

**SCHEDULE OF EXHIBITS:**

Exhibit A – Copy of Fully Executed “Development Agreement for Public Improvements in Reinvestment Zone Number One, City of Richland Hills between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and Skorburg Retail Corporation”

**DEVELOPMENT AGREEMENT FOR PUBLIC IMPROVEMENTS  
IN REINVESTMENT ZONE NUMBER ONE, CITY OF RICHLAND HILLS  
BETWEEN THE CITY OF RICHLAND HILLS, TAX INCREMENT FINANCING  
REINVESTMENT ZONE NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS AND  
SKORBURG RETAIL CORPORATION**

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and among the City of Richland Hills, a Texas municipal corporation of Tarrant County, Texas (hereinafter called "City"); acting by and through its City Manager, the Board of Directors of the Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas (hereinafter called "Board"), acting by and through its Board President; and Skorbουργ Retail Corporation, a Texas corporation (hereinafter called "Developer"), acting by and through its corporate office.

**WITNESSETH:**

**WHEREAS**, the City recognizes the importance of its continued role in local economic development; and

**WHEREAS**, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311 (the "Act"), on January 27, 2009, the Richland Hills City Council approved Ordinance No. 1136-01-2009, creating, establishing and designating "Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills"; and

**WHEREAS**, Developer seeks to develop a high quality, sustainable townhome development located on 7.044 acres at 7100 Baker Boulevard and 3209 Ash Park Drive Richland Hills, Texas 76118; and

**WHEREAS**, Developer intends to expend a minimum of One Million Dollars (\$1,000,000.00) in constructing the Public Improvements; with final Private Improvements constructed by the builder to have an expected ad valorem tax value of Twenty Million Dollars (\$20,000,000) upon completion; and

**WHEREAS**, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the Project Plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act; and

**WHEREAS**, the Richland Hills City Council approved the Tax Increment Reinvestment Zone Financing and Project Plan ("Project Plan"), and the Financing Plan (herein so called); and

**WHEREAS**, the Board authorized the execution of this Agreement, for the construction of Public Improvements in accordance with the approved Project Plan and Financing Plan, authorizing reimbursement to the Developer from the TIF Fund for the construction of Public Improvements under the conditions set forth herein; and

**WHEREAS**, the City Council authorized the execution of this Agreement, authorizing reimbursement to Developer from the TIF Fund for the construction of the Public Improvements and the Development under the conditions set forth herein; and

**WHEREAS**, the Public Improvements constructed within the TIRZ boundaries, as set forth in this Agreement, are consistent with encouraging development of the TIRZ in accordance with the purposes for its creation and are in compliance with the ordinance creating the TIRZ adopted by the City and all applicable laws; and

**WHEREAS**, the City and the Board agree to reimburse funds advanced by the Developer for the cost of making certain Public Improvements as contemplated herein and as contemplated by the Act and as is consistent with the Project Plan and Financing Plan.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

### **SECTION 1. AUTHORIZATION**

The City Council finds and determines that this Agreement is authorized by the Act.

### **SECTION 2. DEFINITIONS**

In this Agreement, the following words shall have the meanings ascribed to them:

ACT, AGREEMENT, BOARD, DEVELOPER and CITY have the meanings set forth in the recitals.

APPROVED PLANS means construction plans for the Private and Public Improvements that conform to all City regulations, as certified by Developer's engineer of record and approved by the City Engineer.

CERTIFICATE OF OCCUPANCY means the certificate issued by the City evidencing that the Development is in compliance with applicable development regulations and in satisfactory condition to be occupied by private residential users.

CONSTRUCTION COSTS means the costs of all hard construction, construction equipment charges, the costs of construction materials, design fees (including landscape and architectural design) contractor fees, and subject to approval by the City, surveying and engineering costs and fees attributable to the construction of the Public

Improvements. Construction Costs does not include any acquisition costs of the Property, marketing, or permit fees, related to the development of the Public Improvements or Private Improvements.

DEVELOPMENT or PRIVATE IMPROVEMENTS means the construction of a high quality, sustainable townhome residential community with landscaped open space, as depicted on the site plan, attached as Exhibit B, with a Tarrant Appraisal Value the first January after Substantial Completion of the Private Improvements of no less than Sixteen Million Dollars (\$16,000,000.00).

INCENTIVES means the payments to the Developer as set forth in Section 4.

PERSON means any natural person, governmental agency or instrumentality, estate, nominee, custodian, or any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, unincorporated organization, cooperative or association, or any foreign trust or foreign business organization.

PROPERTY means the approximately 7.044-acre tract upon which the Private Improvements will be constructed, as described in Exhibit A, attached hereto and incorporated herein.

PUBLIC IMPROVEMENTS means the onsite and offsite Public Improvements (water, sewer, and utilities) necessary to serve the Development as depicted on Exhibit C.

SUBSTANTIAL COMPLETION or SUBSTANTIALLY COMPLETE means, with regard to the Public Improvements, the date the City issues a Certificate of Completion (herein so called) and accepts the maintenance obligation for such Public Improvements, and with regard to the Private Improvements, the date the Certificate of Occupancy is issued for the Development .

TIF FUND means the fund established to receive the investment monies generated and attributable to the TIRZ.

TIRZ means Tax Increment Reinvestment Zone Number One, City of Richland Hills, Texas.

### **SECTION 3. DEVELOPER'S OBLIGATIONS**

A. In General. The Developer agrees to design and construct the Public and Private Improvements. The Public Improvements are to be located entirely within the limits of the City, and all Public Improvements shall be constructed (or dedicated to the City prior to acceptance by the City) within public property, public rights-of-way or easements.

B. Public Improvements.

1. Infrastructure. The Developer shall design and construct all Public Improvements in accordance with the Approved Plans.
2. Time Frame for Public Improvements. Construction of the Public Improvements necessary to serve the Development shall commence by September 25, 2022, and such construction shall be completed within fifteen (15) months after commencement, subject to events of force majeure.
3. Capital Investment. The Developer shall provide proof satisfactory to the City of Construction Costs in an amount no less than One Million Dollars (\$1,000,000.00) upon Substantial Completion of the Public Improvements.
4. Construction Plans; Surveying. Developer shall submit to the City for approval complete construction plans for the Public Improvements, which when approved shall be the Approved Plans for the Public Improvements. The construction plans shall be prepared by a professional engineer licensed to practice in the State of Texas, at Developer's sole cost. Construction plans shall be in conformity with all state and local ordinances and regulations. Developer shall pay all costs of engineering design and surveying for the Public Improvements directly to the provider.
5. Public Improvement Conveyance. Any Public Improvements constructed onsite or offsite shall be conveyed to the City free and clear of all liens, encumbrances, assessments and restrictions other than as provided in this Agreement upon Substantial Completion. At the time of conveyance, Developer shall deliver to the City releases from the contractors, subcontractors, and suppliers of material who have provided labor and materials for the Public Improvements showing they have paid for such labor and materials.
6. Easement Acquisition. Developer agrees to dedicate to the City all land within the Property necessary for the construction of the Public Improvements. All public rights-of-way and easements necessary for the Public Improvements shall be dedicated to the City prior to commencement of construction of the Public Improvements.
7. Bond Requirement. Prior to initiating any construction of the Public Improvements, the Developer shall provide or cause to be provided to the City by contractors constructing the Public Improvements one original and one quality copy of the following construction bonds:
  - a. Performance Bond. A good and sufficient Performance Bond in an amount equal to one hundred percent (100%) of the total cost of the Public Improvements, guaranteeing the full and faithful execution of the work and performance of this Agreement and for the protection

of the City against any improper execution of the work or the use of inferior materials.

- b. Payment Bond. A good and sufficient Payment Bond in an amount equal to one hundred percent (100%) of the total cost of the Public Improvements, guaranteeing payment of all labor, materials and equipment used in the construction of the Public Improvements.
- c. Maintenance Bond. A good and sufficient Maintenance Bond in an amount equal to one hundred percent (100%) of the total cost of the Public Improvements, guaranteeing the maintenance in good condition of the Public Improvements for a period of two (2) years from and after the date that a certificate of completion is issued from the City indicating that the Public Improvements have been completed by the Developer and accepted by the City.

Each of the above bonds shall be in a form acceptable to the City. Any surety company through which a bond is written shall be duly authorized to do business in the State of Texas, and the City, through its City Manager, shall retain the right to reject any surety company for any work under this Agreement regardless of such company's authorization to do business in the State of Texas.

C. Private Improvements.

1. Commencement and Completion. Subject to the City's issuance of building permits, the Developer shall commence construction of the Private Improvements no later than sixty (60) days after Substantial Completion of the Public Improvements, with the Development being Substantially Complete by no later than twenty-four (24) months thereafter.
2. Design Standards. The Private Improvements shall be constructed in full compliance with the site plan attached as Exhibit B, approved with the adoption of PD Zoning Ordinance No. 1439-21 and development regulations of the City (the Approved Plans for the Private Development).
3. Capital Investment. The Developer shall provide proof satisfactory to the City of Construction Cost expenditures for the Private Improvements in an amount no less than Fifteen Million Dollars (\$15,000,000.00) upon Substantial Completion of the Development.

D. Compliance with Law. All aspects of the construction and development of the Development shall be in conformance with applicable state, federal and local laws.

E. Ad Valorem Taxes. For all portions of the Property owned by Developer, the Developer shall remain current on all ad valorem taxes owed to the City or other jurisdiction for the Property.

F. Evidence of Expenditure of Cost of Construction for Public Improvements. Prior to receiving any payment from the TIRZ pursuant to Section 4 of this Agreement, Developer shall provide documentation satisfactory to the City Manager to substantiate the Construction Costs for the Public Improvements subject to reimbursement.

G. Inspection. The City shall have access at all times to inspect construction of the Public Improvements.

H. No Alteration of Development Regulations. This Agreement is not intended to and does not waive or alter any development requirement imposed by City ordinances, City development regulations or other law.

#### **SECTION 4. TIRZ PARTICIPATION**

In consideration of Developer's agreement to construct the Public and Private Improvements in conformance with the requirements of this Agreement and subject to Developer's compliance with their duties and obligations in this Agreement, the TIRZ and the City agree to participate in the construction of certain Public Improvements as set forth in this section by providing the following incentives as reimbursement for Substantially Completing the Public Improvements:

1. After Substantial Completion of the Public Improvements and upon submission of the evidence satisfactory to the City showing Construction Costs expended by Developer for the Public Improvements (to include sewer and water installation) and acceptance by the City, the TIRZ will reimburse the Developer in an amount not to exceed Two Hundred Seventy-Five Thousand Dollars (\$275,000.00).
2. As consideration for constructing the Private Improvements in conformance with the requirements of this Agreement, the TIRZ will pay to the Developer an additional reimbursement of One Hundred Twenty-Five Thousand Dollars (\$125,000), upon Substantial Completion of the Private Improvements.
3. The Incentives set forth herein shall be paid only from the TIF Fund.

#### **SECTION 5. TERM**

The term of this Agreement shall begin on the Effective Date and shall terminate upon the earlier of: (i) the complete performance of all obligations and conditions precedent by parties to this Agreement; or (ii) three (3) years after the Effective Date,

whether or not the Incentives have been made in full; or (iii) upon the City's termination of this Agreement pursuant to Section 7 hereof.

## **SECTION 6. AUTHORITY; COMPLIANCE WITH LAW**

A. Developer hereby represents and warrants to the City that it has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by Developer and this Agreement constitutes the legal, valid and binding obligation of Developer, and is enforceable in accordance with its terms and provisions.

B. Notwithstanding any other provision of this Agreement, Developer shall comply with all federal and state laws, and City ordinances in the development, construction and operation of the Public and Private Improvements.

C. As required by Subchapter B of Chapter 2264 of the Texas Government Code, Developer certifies that to Developer's knowledge it does not and will not knowingly employ an undocumented worker. If after receiving the Incentives set forth in this Agreement Developer is convicted under 8 USC Section 1324(a)(6), it shall repay the amount of the Incentives (or portion that it has received) plus ten percent (10%) interest not later than the 120<sup>th</sup> day after the date the City notifies Developer of the violation.

## **SECTION 7. DEFAULT AND REMEDIES**

A. In the event: (i) Developer fails to comply with the terms of this Agreement; (ii) Developer has delinquent ad valorem or sales taxes owed to the City or other taxing jurisdiction (provided that Developer retains the right to timely and properly protest and/or contest any such taxes); or (iii) Developer materially breaches any of the material terms and conditions of this Agreement, then Developer, after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, City shall give Developer written notice of such breach and/or default, and if Developer has not cured such breach or default within thirty (30) days after receipt of such notice, the City may terminate this Agreement by written notice to Developer, and the City shall have no further obligation to Developer. Notwithstanding the immediately preceding sentence, if the nature of the default is such that it cannot reasonably be cured within such 30-day period and Developer has commenced the cure and is diligently pursuing action to cure the default, the cure period shall be extended for another thirty (30) days with the consent of the City Manager.

B. If a default shall occur and continue after thirty (30) days written notice to cure the default (as such cure period may be extended pursuant to the immediately preceding paragraph), the party not in default shall have the right to exercise any and all rights available to such party at law or in equity, including the right to seek equitable relief such as injunction or mandamus as to which the non-defaulting party may be entitled.

C. No waiver or any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Richland Hills.

#### **SECTION 8. RIGHT OF OFFSET**

The City may, at its option, offset any amounts due and payable to Developer under this Agreement against any debt (including taxes) lawfully due to the City from Developer, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether or not the debt in question has been reduced to judgment by a court.

#### **SECTION 9. DETERMINATION OF ROUGH PROPORTIONALITY**

As additional consideration for the Incentives received by Developer under this Agreement, Developer hereby agrees to donate to the City the land within the Property necessary to construct the Public Improvements; and Developer further agrees that such land is roughly proportional to the need for such land, and Developer hereby waives any claim therefor that it may have. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the Public Improvements. Developer waives and releases all claims against the City related to any and all rough proportionality and individual determination requirements mandated by Subchapter Z of Chapter 212, Texas Local Government Code, as well as other requirements of a nexus between development conditions and the projected impact of the Public Improvements.

#### **SECTION 10. BUILDING PRODUCTS, MATERIALS, OR METHODS**

The parties hereto find that the Property constitutes an area of architectural important and significance and the City Council of the City, hereby designates it as an area of architectural important and significance for purposes of Chapter 3000 of the Texas Gov't Code ("Code"). In consideration for the mutual covenants and conditions contained herein and pursuant to §3000.002(d) of the Code, Developer voluntarily consents to the application of all City rules, provisions, ordinances, orders, building codes, and other governing regulations existing as of the Effective Date hereof, ("Regulations") that govern the use or installation a building product or material in the construction, renovation, maintenance, or other alteration of a commercial building on the Property, regardless of whether a different building product or material is approved for use by a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building, that are not in conflict with the Regulations. In addition, Developer voluntarily consents to the application of the Regulations that establish a standard for a building product, material, or aesthetic method in construction, renovation, maintenance, or other alteration of a commercial building, regardless of whether the standard is more stringent than a

standard for the product, material, or aesthetic method under a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building. The parties agree that: (i) the City will not issue any permits for the Property in violation of this section; (ii) the covenants contained within this section constitute a material term of this Agreement; (iii) Developers' voluntary consent to the application of the Regulations to the Property, as described in this section, constitutes a material inducement for the City to authorize the Incentives; (iv) the covenants contained herein shall run with the land and shall bind the Developer and all successors and assigns including end buyers; and (v) this section shall survive termination or expiration of this Agreement.

### **SECTION 11. VENUE AND GOVERNING LAW**

This Agreement is performable in Tarrant County, Texas and venue of any action arising out of this Agreement shall be exclusively in Tarrant County, Texas. This Agreement shall be governed and construed in accordance with the ordinances, and resolutions of the City of Richland Hills, applicable federal and state laws, violation of which shall constitute a default of this Agreement. To the extent permitted by law, the laws of the State of Texas shall apply without regard to applicable principles of conflicts of law, and the parties submit to the jurisdiction of the state and federal courts in Richland Hills, Tarrant County, Texas.

### **SECTION 12. FORCE MAJEURE**

Performance of Developer's obligations under this Agreement shall be subject to extension due to delay by reason of events of force majeure, and Developer's obligations shall be abated during any period of force majeure. Force majeure shall include, without limitation, damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, issuance of any permit and/or legal authorization (including engineering approvals by any governmental entity), shortage or delay in shipment of materials or fuel occasioned by any event referenced herein, acts of God, unusually adverse weather or wet soil conditions or other causes beyond the parties' reasonable control, including but not limited to, any court or judgment resulting from any litigation affecting the Property or this Agreement.

### **SECTION 13. GIFT TO PUBLIC SERVANT OR TO DEVELOPERS REPRESENTATIVE**

A. No Benefit. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer in the future any benefit upon an employee or official of the other party. For purposes of this section, "benefit" means anything reasonably regarded as economic advantage, including benefit to any other Person in whose welfare the beneficiary is interested, but does not include a contribution or expenditure made and reported in accordance with law.

B. Right of Reimbursement. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditures made to Developer as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

#### **SECTION 14. BINDING AGREEMENT; ASSIGNMENT**

A. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. The provisions of this Agreement are hereby declared covenants running with the Property and are fully binding on and inure to the benefit of Developer and each and every subsequent owner of all or any portion of the Property and shall be binding on and inure to the benefit of all successors, heirs, and assigns of Developer which acquire any right, title, or interest in or to the Property, or any part thereof. This Agreement shall be filed in the deed records of Tarrant County.

B. Except as hereinafter expressly provided, any assignment of Developer's obligations or its rights to receive the benefits provided under this Agreement must be in writing executed by the assignor and assignee and shall not be permitted without the express written consent of the City. Notwithstanding the immediately preceding sentence, without the City's consent, Developer may assign this Agreement as may be necessary to a lender providing financing to Developer to develop the Subdivision. Any consent of the City required by this Section 14.B shall be evidenced by the consent of the City Manager.

#### **SECTION 15. INDEMNIFICATION**

**A. DEVELOPER EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF DEVELOPER OR ITS AGENTS OR EMPLOYEES, ARISING OUT OF DEVELOPER'S PERFORMANCE OF THIS AGREEMENT; PROVIDED, HOWEVER, IN NO EVENT WILL DEVELOPER HAVE ANY SUCH INDEMNIFICATION OBLIGATION FOR ANY CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS AND EXPENSES ARISING OUT OF OR CAUSED BY THE SOLE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY OR ITS EMPLOYEES.** Nothing in this paragraph may be construed as waiving any governmental immunity available to the City under state law. This provision is solely for the benefit of Developer and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other Person.

B. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

The City, their past, present and future officers, elected officials, directors, employees and agents of the City does not assume any responsibility to any third party in connection with Developer's construction of the Public Improvements.

## SECTION 16. MISCELLANEOUS MATTERS

A. Time is of Essence. Time is of the essence in this Agreement. The parties hereto will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Agreement Subject to Law. This Agreement is made subject to the provisions of the ordinances of the City, as amended, and all applicable state and federal laws.

C. Interpretation. This Agreement shall not be construed against the drafting party.

D. Counterparts Deemed Original. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

E. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

F. Complete Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in the Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.

G. Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore; or (ii) sent by a nationally recognized overnight courier service; or (iii) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below and shall be effective (a) upon receipt or refusal if delivered personally; (b) one business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mails, if mailed. Any party hereto may change its address for receipt of notices by service of a notice of such change in accordance with this subsection.

If intended for City, to:

City of Richland Hills  
3200 Diana Drive  
Richland Hills, Texas 76118

Attn: City Manager  
Facsimile: (817) 616-3803

With a copy to:

Taylor, Olson, Adkins, Sralla & Elam, LLP  
6000 Western Place, Suite 200  
Fort Worth, Texas 76107  
Attn: Betsy Elam  
Facsimile: (817) 332-4740

If intended for Developer, to:

Skorburg Retail Corporation  
8214 Westchester Dr. Ste. 900  
Dallas, TX 75225  
Attn: Bryan Holland  
Facsimile: (214) 888-8854

H. Amendment. This Agreement may only be amended by the mutual written agreement of the parties.

I. Severability. In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

J. File in Deed Records. The City Secretary is directed to file this Agreement in the Deed Records of Tarrant County.

#### **SECTION 17. EFFECTIVE DATE.**

This Agreement shall become effective upon the last to occur of the execution of the Agreement by all parties.

**CITY OF RICHLAND HILLS, TEXAS**

By: Candice Edmondson  
Candice Edmondson, City Manager

Date: 2-14-2022

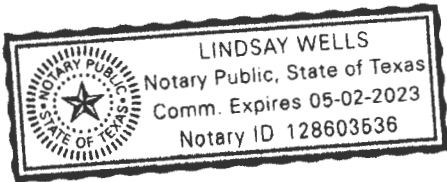
STATE OF TEXAS §  
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Candice Edmondson, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that she is the City Manager of the City of Richland Hills, Texas and that she is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.


GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14 day of February, 2022.

[Notary Seal]

Lindsay Wells  
Notary Public, State of Texas



**TAX INCREMENT FINANCING REINVESTMENT ZONE  
NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS**

By:   
Name: Edward Lopez  
Board President

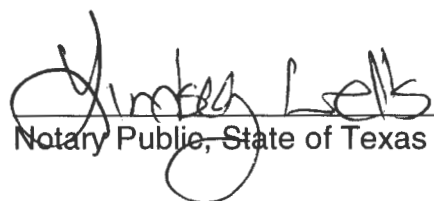
Date: 2-14-2022

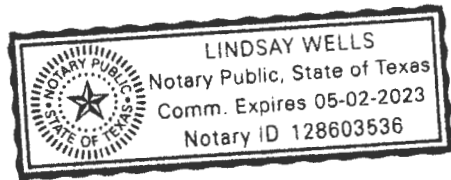
STATE OF TEXAS §  
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Edward Lopez, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Board President of Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

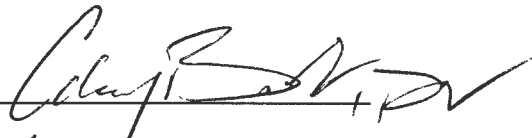
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14 day of February, 2022.

[Notary Seal]

  
Notary Public, State of Texas



**SKORBURG RETAIL CORPORATION**

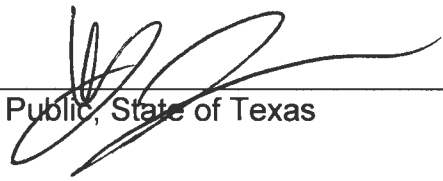
By:   
Name: ADAM J. BUZEK  
Title: DIRECTOR  
Date: 2/22/2022

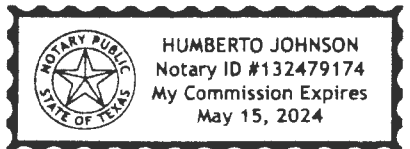
STATE OF TEXAS           §  
COUNTY OF Tarrant   §

BEFORE ME on this day personally appeared Adam Buzek, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Director of Skorbург Retail Corporation, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22 day of February, 2022.

[Notary Seal]

  
Notary Public, State of Texas



**SCHEDULE OF EXHIBITS:**

Exhibit A – Description of Property

Exhibit B – Site Plan

Exhibit C – Public Improvements

Exhibit "A"  
Description of Property

TRACT 1E, POPPLEWELL, S SURVEY ABSRACT 1241 and as Lots 4, 5, 6, and 7, Greenfield Subdivision, an Addition to the City of Richland Hills, Tarrant County, Texas according to the plat recorded in Volume 388-H, Page 297 and 298, Plat Records, Tarrant County, Texas



Exhibit "C"  
Public Improvements

The agreed upon onsite and offsite Public Improvements will be added and made part of the Agreement when engineering and design is completed and approved by the City.