



****** PUBLIC NOTICE ******

**NOTICE OF A CORINTH ECONOMIC DEVELOPMENT CORPORATION (CEDC)
OF THE CITY OF CORINTH
REGULAR SESSION**

**Monday, August 7, 2017, 6:00 P.M.
City Hall
Conference Room - Room 102
3300 Corinth Parkway
Corinth, Texas 76208**

*** Pursuant to Texas Government Code Section 551.002, a quorum of the City Council of Corinth may attend the following meeting and may participate in discussion on the agenda items listed below, but will not take any action.**

CALL TO ORDER

CITIZENS COMMENTS

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. *All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

CONSENT AGENDA

1. Consider and act on minutes from the July 10, 2017 meeting.
2. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending June 2017.

BUSINESS AGENDA

3. Consider and act on application from San Breth Hotels, LLC., requesting economic development incentives pursuant to the Chapter 380 Economic Development Program Policies and Procedures to construct and operate a hotel within the City of Corinth, Texas.

REPORTS

4. Board Members
5. Executive Director

EXECUTIVE SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

ADJOURN

Posted this ____ day of _____, 2017 at ____ on the bulletin board at Corinth City Hall.

Jason Alexander, Economic Development Director
City of Corinth, Texas

EDC Regular Session

1.

Meeting Date: 08/07/2017
Title: Meeting Minutes
Submitted By: Jason Alexander, Director
Finance Review: N/A
City Manager Review: **Approval:** Bob Hart, City Manager

Legal Review:

AGENDA ITEM

Consider and act on minutes from the July 10, 2017 meeting.

AGENDA ITEM SUMMARY/BACKGROUND

The minutes from the July 10, 2017 meeting.

RECOMMENDATION

N/A.

Fiscal Impact

Source of Funding: N/A.

FINANCIAL SUMMARY:

N/A.

Attachments

July 10, 2017 Meeting Minutes

CORINTH ECONOMIC DEVELOPMENT CORPORATION
July 10, 2017

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this 10th day of July, 2017 the Corinth Economic Development Corporation (CEDC) of the City of Corinth, Texas, met in Special Session at 6:00 P.M. at Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members, to wit:

CEDC Board Members:

Lowell Johnson – President
Mike Amason – Vice President
Tina Henderson – Secretary
David Burnett – Director
Jerry Blazewicz – Director

CEDC Board Members Absent:

Don Glockel – Director
Wade May – Director

Others Present:

Jason Alexander, Executive Director
Sarah Smith, Executive Assistant to the City Manager

CALL TO ORDER:

President Lowell Johnson called the meeting to order at 6:01 P.M.

CONSENT AGENDA:

1. Consider and act on minutes from the June 12, 2017 meeting.
2. Consider and act on minutes from the June 19, 2017 meeting.
3. Consider and act on the Corinth Economic Development Corporation Finance Report for the period ending May 2017.

CONSENT AGENDA APPROVED AS PRESENTED

BUSINESS AGENDA:

1. Consider and act on the Requested Budget for the Corinth Economic Development Corporation for Fiscal Year 2017-2018.

Jason Alexander shared the proposed/requested budget for the Corinth Economic Development Corporation (CEDC) for Fiscal Year 2017-2018. Before the proposed budget can go before City Council, the Board is required by the Bylaws to vote on the budget, and make any recommendations or revisions to the budget. The budget as presented shows a decrease of approximately \$153,000 this year from last year. Last year the approved budget was for \$695,257. This year it is \$579,042. Alexander explained that part of this decrease is coming from the removal of the capital outlay for branding and marketing. Our new City Manager would like to increase the participation from the community with respect to branding and marketing. Until the community has had an opportunity to consider what we should have in terms of a logo, a brand, he would like to hold off on that project.

Mike Amason asked if the City Manager has a time frame in mind of when he would to start looking at or is this just an indefinite hold.

Alexander stated that there is a time frame. Part of that is coinciding with the budget for the City as a whole.

Alexander discussed that the project incentives for this year show a decrease of about \$10,000. Part of that is due to keeping the budget the same. We are looking at about \$100,000 for incentives such as assisting with permitting fees and \$50,000 as part of our aesthetic grants. There is a transfer of \$50,000 to the Park Development Fund. Professional services remains in the amount of \$69,200, that includes our attorney fees and also includes \$50,000 to hire consultants as need be.

The requested beginning fund balance for CEDC for next fiscal year is approximately \$3.46 million. That represents an increase of about \$153,000 from the estimated fund balance. The fund balance is in place for us to assist with big projects such as Lynchburg Creek and perhaps acquiring property at a future date from the Texas Department of Transportation (TXDOT).

Lowell Johnson stated that the budget does include a three percent (3%) raise for the CEDC Director which can be increased or decreased.

Amason requested to speak further on the CEDC Director's salary. Considering that there has been exceptional work, as well as carrying the workload, he was in favor of discussing more than a three percent (3%) increase.

MOTION was made by Mike Amason to propose a five percent 5% increase for salary and benefits for the Director of Economic Development.

Seconded by David Burnett.

| | |
|----------|--|
| Ayes: | Johnson, Blazewicz, Amason, Henderson, Burnett |
| Noes: | None |
| Abstain: | None |
| Absent: | May, Glockel |

AMENDED BUDGET MOTION was made by David Burnett to approve the budget as presented with the amendment that we made to the salary.

Seconded by Johnson.

MOTION CARRIES AS AMENDED

Johnson stated that the City may come back and request from the Board some help on the branding program, and if they do, the Board will have to do a budget amendment to pull money out of fund balance.

Tina Henderson asked if staff knew what the City Manager planned on doing regarding the branding.

Alexander shared that the City Manager wants to have the community more engaged. This could be one of the avenues to increase civic participation. Also, all will have an opportunity to have input into the design rather than it emanating from one particular department. The Strategic Plan has guided a lot of the City's efforts and adding this to it and having the other departments aligned under that gives more credibility to that document.

David Burnett stated that he would like to have something that would attract the businesses to put in brochures. Not just ones CEDC are incentivizing, but other businesses that are already here.

Johnson asked the question, All those in favor of the budget as presented with the amendment signify by saying Aye.

| | |
|----------|--|
| Ayes: | Johnson, Blazewicz, Amason, Henderson, Burnett |
| Noes: | None |
| Abstain: | None |

Absent: May, Glockel

The budget is passed for recommendation on to the City Council with the amendment

REPORTS AND UPDATES

1. Board Members

Amason asked about construction updates for Interstate Highway 35E and Farm-to-Market Road 2499.

Burnett asked about the building across the street from City Hall and owned by Texas Health Resources.

2. Executive Director

President Johnson recessed the meeting at 6:27 p.m. * See Closed Session.

CLOSED SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

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Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

A. Deliberations regarding economic development incentives to a business prospect.

Reconvene in open session to take action, if necessary, on closed session items.

President Johnson reconvened the meeting in Open Session at 7:18 p.m. * See Closed Session.

ADJOURN:

There being no further business, President Johnson adjourned the July 10, 2017 Special Session of the Corinth Economic Development Corporation at 7:18 P.M.

Sarah Smith, Executive Assistant to the City Manager

Lowell Johnson – President
Corinth Economic Development Corporation

EDC Regular Session

2.

Meeting Date: 08/07/2017

Title: June Corinth Economic Development Corporation Financial Report

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review: Approval: Bob Hart, City Manager

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending June 2017.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending June 2017.

RECOMMENDATION

N/A.

Fiscal Impact

Source of Funding: N/A.

FINANCIAL SUMMARY:

N/A.

Attachments

June Corinth Economic Development Corporation Financials



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended June 2017

| | Current Fiscal Year, 2016-2017 | | | | | Prior Year |
|-------------------------------|--------------------------------|------------------------|----------------------------|---------------------|----------------------|---------------------------|
| | Budget FY 2016-17 | June 2017 Actual | Year-to- Date Actual | Y-T-D Variance | Y-T-D % of Budget | Jun-16 Y-T-D Actual |
| RESOURCES | | | | | | |
| Sales Tax (.50¢) | \$ 673,772 | \$ 60,003 | \$ 413,634 | (260,138) | 61.4% | \$ 379,796 |
| Interest Income | 400 | 81 | 581 | 181 | 145.2% | 568 |
| Investment Income | 8,000 | 2,461 | 19,375 | 11,375 | 242.2% | 12,165 |
| Miscellaneous Income | - | - | - | - | 0.0% | - |
| Projective Incentive Default | - | - | - | - | 0.0% | - |
| Transfers In | - | - | - | - | 0.0% | - |
| TOTAL ACTUAL RESOURCES | 682,172 | 62,544 | 433,590 | (248,582) | 63.6% | 392,529 |
| Use of Fund Balance | 10,232 | - | - | (10,232) | 0.0% | - |
| TOTAL RESOURCES | \$ 692,404 | \$ 62,544 | \$ 433,590 | \$ (258,814) | 62.6% | \$ 392,529 |
| EXPENDITURES | | | | | | |
| Wages & Benefits | \$ 127,927 | \$ 14,113 | \$ 93,848 | \$ (34,079) | 73.4% | 86,430 |
| Professional Fees | 87,662 | 16,887 | 73,521 | (14,141) | 83.9% | 72,244 |
| Maintenance & Operations | 177,570 | 7 | 3,891 | (173,679) | 2.2% | 4,286 |
| Supplies | 1,000 | 49 | 49 | (951) | 4.9% | 1,507 |
| Utilities & Communication | 4,014 | 111 | 1,649 | (2,365) | 41.1% | 2,211 |
| Vehicles/Equipment & Fuel | - | - | - | - | 0.0% | - |
| Training | 25,325 | 3,208 | 9,994 | (15,331) | 39.5% | 5,072 |
| Capital Outlay | 125,000 | - | - | (125,000) | 0.0% | 2,500 |
| Debt Service | - | - | - | - | 0.0% | - |
| Charges for Services | 93,302 | - | 93,302 | - | 100.0% | 105,401 |
| Transfer Out | 50,604 | - | 50,604 | - | 100.0% | 50,250 |
| TOTAL EXPENDITURES | 692,404 | 34,374 | 326,858 | (365,546) | 47.2% | 329,901 |
| EXCESS/(DEFICIT) | \$ - | \$ 28,171 | \$ 106,732 | \$ 106,732 | | \$ 62,628 |

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. June 2017 revenues are remitted to the City in August 2017. Sales Tax received in June represents April collections.

Expenditures

Transfer Out represents \$50,000 to the Park Development Fund and \$604 to the Tech Replacement Fund for the future purchases of computers.

Capital Outlay includes \$125,000 for a Comprehensive Branding Strategy.



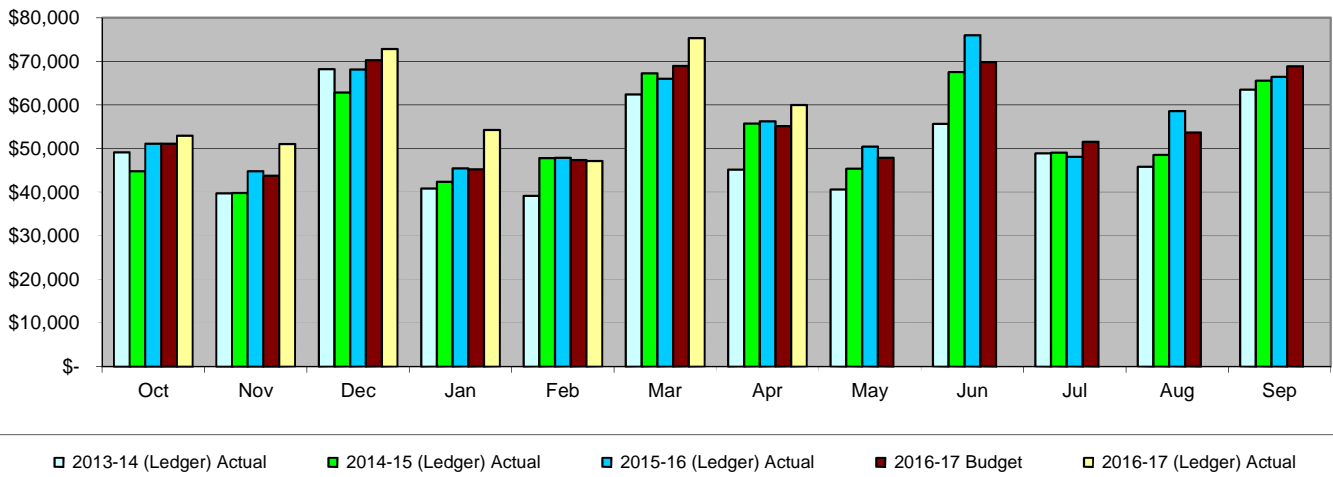
Corinth Economic Development Corporation

Economic Development Sales Tax

PY Comparison and Variance Analysis

| | 2013-14 (Ledger) Actual | 2014-15 (Ledger) Actual | 2015-16 (Ledger) Actual | 2016-17 Budget | 2016-17 Cash Receipts | 2016-17 (Ledger) Actual | Variance, Actual to Budget | Variance, Actual to Budget % | Variance, CY to PY | Variance, CY to PY % |
|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------|-----------------------------|-------------------------------|----------------------------------|------------------------------------|-----------------------|-------------------------|
| Oct | \$ 49,120 | \$ 44,779 | \$ 51,148 | \$ 51,112 | \$ 58,630 | \$ 52,974 | \$ 1,862 | 3.6% | \$ 1,826 | 3.6% |
| Nov | 39,763 | 39,840 | 44,827 | 43,774 | 66,452 | 51,070 | 7,297 | 16.7% | 6,243 | 13.9% |
| Dec | 68,189 | 62,897 | 68,160 | 70,273 | 52,974 | 72,833 | 2,560 | 3.6% | 4,673 | 6.9% |
| Jan | 40,830 | 42,350 | 45,500 | 45,281 | 51,070 | 54,300 | 9,019 | 19.9% | 8,800 | 19.3% |
| Feb | 39,130 | 47,853 | 47,909 | 47,381 | 72,833 | 47,147 | (234) | -0.5% | (763) | -1.6% |
| Mar | 62,405 | 67,295 | 66,022 | 68,950 | 54,300 | 75,308 | 6,358 | 9.2% | 9,286 | 14.1% |
| Apr | 45,146 | 55,712 | 56,230 | 55,158 | 47,147 | 60,003 | 4,845 | 8.8% | 3,773 | 6.7% |
| May | 40,602 | 45,372 | 50,483 | 47,908 | 75,308 | | | | | |
| Jun | 55,689 | 67,547 | 75,989 | 69,815 | 60,003 | | | | | |
| Jul | 48,929 | 49,072 | 48,076 | 51,539 | | | | | | |
| Aug | 45,851 | 48,521 | 58,630 | 53,680 | | | | | | |
| Sep | 63,495 | 65,599 | 66,452 | 68,902 | | | | | | |
| TOTAL | \$ 599,149 | \$ 636,837 | \$ 679,427 | \$ 673,772 | \$ 538,717 | \$ 413,634 | \$ 31,707 | 8.3% | \$ 33,838 | 8.9% |

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. June 2017 revenues are remitted to the City in August 2017. Sales Tax received in June represents April collections.

Analysis

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



Hotel Occupancy Tax Collection Report

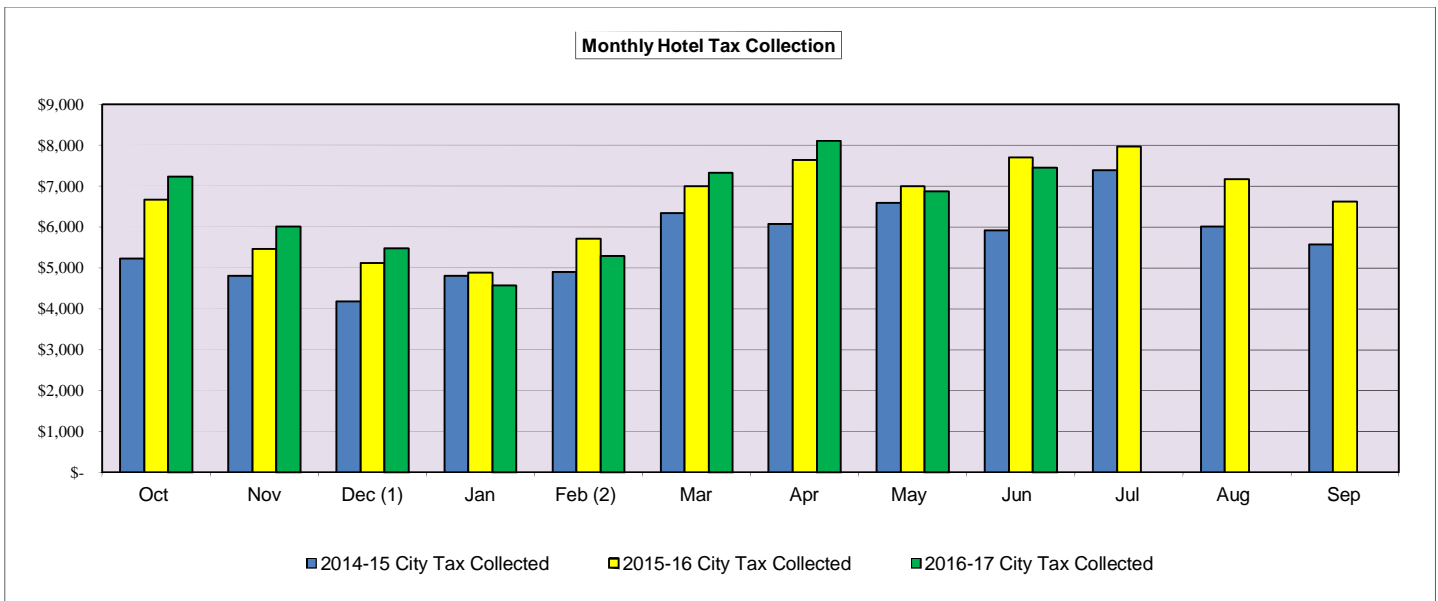
Comfort Inn & Suites

For the Period Ended June 2017

| | Occupancy Rate | Total Gross Sales | Less Exemptions & Allowances | Total Taxable Revenues Reported | Taxable Revenues X 7% | Total City Tax Due | City Tax Collected FY 2016-17 | Date Received | % Change CY to PY | City Tax Collected FY 2015-16 | City Tax Collected FY 2014-15 |
|---------------|----------------|-------------------|------------------------------|---------------------------------|-----------------------|--------------------|-------------------------------|---------------|-------------------|-------------------------------|-------------------------------|
| Oct | 75% | \$ 109,713 | \$ 6,404 | \$ 103,309 | \$ 7,232 | \$ 7,232 | \$ 7,232 | 11/21/2016 | 8.5% | \$ 6,667 | \$ 5,230 |
| Nov | 67% | 89,908 | 4,020 | 85,889 | 6,012 | 6,012 | 6,012 | 12/19/2016 | 10.1% | 5,463 | 4,802 |
| Dec (1) | 58% | 80,577 | 2,336 | 78,241 | 5,477 | 5,477 | 5,477 | 1/23/2017 | 7.1% | 5,115 | 4,179 |
| Jan | 52% | 65,318 | - | 65,318 | 4,572 | 4,572 | 4,572 | 2/20/2017 | -6.5% | 4,891 | 4,805 |
| Feb (2) | 69% | 76,132 | - | 76,132 | 5,329 | 5,329 | 5,291 | 3/20/2017 | -7.4% | 5,712 | 4,904 |
| Mar | 79% | 104,432 | 220 | 104,212 | 7,295 | 7,295 | 7,333 | 4/17/2017 | 4.7% | 7,003 | 6,346 |
| Apr | 85% | 116,367 | 464 | 115,903 | 8,113 | 8,113 | 8,113 | 5/22/2017 | 6.1% | 7,647 | 6,069 |
| May | 71% | 98,625 | 491 | 98,134 | 6,869 | 6,869 | 6,869 | 6/19/2017 | -1.7% | 6,991 | 6,587 |
| Jun | 74% | 106,638 | 76 | 106,561 | 7,459 | 7,459 | 7,459 | 7/19/2017 | -3.1% | 7,699 | 5,926 |
| Jul | | | | | | | | | | 7,973 | 7,394 |
| Aug | | | | | | | | | | 7,164 | 6,018 |
| Sep | | | | | | | | | | 6,631 | 5,573 |
| TOTALS | | \$ 847,711 | \$ 14,013 | \$ 833,698 | \$ 58,359 | \$ 58,359 | \$ 58,359 | | | \$ 78,955 | \$ 67,833 |

(1) - requested occupancy rate information from Management. Received February 16, 2017.

(2) - exemptions claimed do not qualify. Requested \$38.08 owed from the Hotel.



KEY TRENDS

Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JUNE 30TH, 2017

130-Economic Development Corp
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 75.00

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | TOTAL ENCUMBERED | BUDGET BALANCE | % YTD BUDGET |
|-----------------------------------|-------------------|-------------------|------------------------|---------------------|-------------------|-----------------|
| <u>REVENUE SUMMARY</u> | | | | | | |
| SALES TAXES | 673,772 | 60,002.87 | 413,634.36 | 0.00 | 260,137.64 | 61.39 |
| INTEREST INCOME | 8,400 | 2,541.50 | 19,956.05 | 0.00 | (11,556.05) | 237.57 |
| TOTAL REVENUES | 682,172 | 62,544.37 | 433,590.41 | 0.00 | 248,581.59 | 63.56 |
| <u>EXPENDITURE SUMMARY</u> | | | | | | |
| ECONOMIC DEVELOPMENT | 692,404 | 34,373.58 | 326,858.18 | 13,386.52 | 352,159.30 | 49.14 |
| TOTAL EXPENDITURES | 692,404 | 34,373.58 | 326,858.18 | 13,386.52 | 352,159.30 | 49.14 |
| REVENUE OVER/(UNDER) EXPENDITURES | (10,232) | 28,170.79 | 106,732.23 | (13,386.52) | (103,577.71) | 912.29- |

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JUNE 30TH, 2017

130-Economic Development Corp

% OF YEAR COMPLETED: 75.00

| REVENUES | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | TOTAL ENCUMBERED | BUDGET BALANCE | % YTD BUDGET |
|----------------------------------|-------------------|-------------------|------------------------|---------------------|-------------------|-----------------|
| <u>SALES TAXES</u> | | | | | | |
| 130-0000-40200 SALES TAX | 673,772 | 60,002.87 | 413,634.36 | 0.00 | 260,137.64 | 61.39 |
| TOTAL SALES TAXES | 673,772 | 60,002.87 | 413,634.36 | 0.00 | 260,137.64 | 61.39 |
| <u>INTEREST INCOME</u> | | | | | | |
| 130-0000-41400 INVESTMENT INCOME | 8,000 | 2,460.77 | 19,375.18 | 0.00 | (11,375.18) | 242.19 |
| 130-0000-41410 INTEREST INCOME | 400 | 80.73 | 580.87 | 0.00 | (180.87) | 145.22 |
| TOTAL INTEREST INCOME | 8,400 | 2,541.50 | 19,956.05 | 0.00 | (11,556.05) | 237.57 |
| <u>MISCELLANEOUS</u> | | | | | | |
| <u>TRANSFERS</u> | | | | | | |
| TOTAL REVENUE | 682,172 | 62,544.37 | 433,590.41 | 0.00 | 248,581.59 | 63.56 |

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 75.00

| DEPARTMENTAL EXPENDITURES | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | TOTAL ENCUMBERED | BUDGET BALANCE | % YTD BUDGET |
|--|-------------------|-------------------|------------------------|---------------------|-------------------|-----------------|
| WAGES & BENEFITS | | | | | | |
| 130-1700-50100 SALARIES | 94,760 | 10,933.86 | 69,247.78 | 0.00 | 25,512.22 | 73.08 |
| 130-1700-50203 LONGEVITY PAY | 96 | 0.00 | 96.00 | 0.00 | 0.00 | 100.00 |
| 130-1700-50204 CAR ALLOWANCE | 4,800 | 400.00 | 3,600.00 | 0.00 | 1,200.00 | 75.00 |
| 130-1700-50300 HEALTH INSURANCE | 9,351 | 695.90 | 7,263.10 | 0.00 | 2,087.90 | 77.67 |
| 130-1700-50301 DENTAL INSURANCE | 335 | 27.90 | 251.10 | 0.00 | 83.90 | 74.96 |
| 130-1700-50302 LIFE & DISABILITY INSURAN | 366 | 29.40 | 264.60 | 0.00 | 101.40 | 72.30 |
| 130-1700-50303 BROKER FEES | 208 | 9.43 | 129.65 | 0.00 | 78.35 | 62.33 |
| 130-1700-50304 PHS FEES | 114 | 9.00 | 81.00 | 0.00 | 33.00 | 71.05 |
| 130-1700-50305 TMRS EMPLOYER | 15,563 | 1,769.51 | 11,289.35 | 0.00 | 4,273.65 | 72.54 |
| 130-1700-50310 401A | 390 | 45.00 | 300.00 | 0.00 | 90.00 | 76.92 |
| 130-1700-50316 EAP | 17 | 1.59 | 14.31 | 0.00 | 2.69 | 84.18 |
| 130-1700-50317 COBRA ADMINISTRATION FEE | 7 | 0.00 | 0.00 | 0.00 | 7.00 | 0.00 |
| 130-1700-50320 WORKERS COMP | 282 | 25.65 | 237.72 | 0.00 | 44.28 | 84.30 |
| 130-1700-50401 MEDICARE EMPLOYER | 1,458 | 165.43 | 1,064.08 | 0.00 | 393.92 | 72.98 |
| 130-1700-50405 TEXAS EMPLOYMENT COMM. | 180 | 0.00 | 9.00 | 0.00 | 171.00 | 5.00 |
| TOTAL WAGES & BENEFITS | 127,927 | 14,112.67 | 93,847.69 | 0.00 | 34,079.31 | 73.36 |
| PROF. SERV & CONTRACTUAL | | | | | | |
| 130-1700-51100 PROFESSIONAL SERVICES | 68,876 | 15,976.07 | 68,426.07 | 0.00 | 449.93 | 99.35 |
| 130-1700-51300 LEGAL FEES | 17,200 | 774.00 | 3,887.00 | 12,513.00 | 800.00 | 95.35 |
| 130-1700-51400 P&L INSURANCE | 1,586 | 136.49 | 1,207.77 | 0.00 | 378.23 | 76.15 |
| TOTAL PROF. SERV & CONTRACTUAL | 87,662 | 16,886.56 | 73,520.84 | 12,513.00 | 1,628.16 | 98.14 |
| MAINTENANCE & OPERATIONS | | | | | | |
| 130-1700-52000 ADVERTISING | 7,500 | 0.00 | 362.52 | 0.00 | 7,137.48 | 4.83 |
| 130-1700-52002 POSTAGE | 25 | 6.56 | 9.99 | 0.00 | 15.01 | 39.96 |
| 130-1700-52003 PRINTING | 400 | 0.00 | 0.00 | 0.00 | 400.00 | 0.00 |
| 130-1700-52004 COPIER CHARGES | 225 | 0.00 | 0.00 | 0.00 | 225.00 | 0.00 |
| 130-1700-52215 PROMOTIONAL FEES | 15,450 | 0.00 | 2,450.00 | 0.00 | 13,000.00 | 15.86 |
| 130-1700-52230 PROJECT INCENTIVES | 150,000 | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 |
| 130-1700-52500 DUES & SUBSCRIPTIONS | 3,970 | 0.00 | 1,068.25 | 0.00 | 2,901.75 | 26.91 |
| TOTAL MAINTENANCE & OPERATIONS | 177,570 | 6.56 | 3,890.76 | 0.00 | 173,679.24 | 2.19 |
| SUPPLIES | | | | | | |
| 130-1700-53001 OFFICE SUPPLIES | 1,000 | 49.00 | 49.00 | 0.00 | 951.00 | 4.90 |
| TOTAL SUPPLIES | 1,000 | 49.00 | 49.00 | 0.00 | 951.00 | 4.90 |
| UTILITIES & COMMUNICATION | | | | | | |
| 130-1700-54100 TELEPHONE | 156 | 6.02 | 48.16 | 0.00 | 107.84 | 30.87 |
| 130-1700-54105 INTERNET | 384 | 29.53 | 239.38 | 140.52 | 4.10 | 98.93 |
| 130-1700-54106 AIRCARD | 504 | 0.00 | 274.47 | 0.00 | 229.53 | 54.46 |
| 130-1700-54107 COMPUTER LICENSING | 2,070 | 0.00 | 412.44 | 733.00 | 924.56 | 55.34 |
| 130-1700-54200 CELLPHONE | 900 | 75.00 | 675.00 | 0.00 | 225.00 | 75.00 |
| TOTAL UTILITIES & COMMUNICATION | 4,014 | 110.55 | 1,649.45 | 873.52 | 1,491.03 | 62.85 |

CITY OF CORINTH
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JUNE 30TH, 2017

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 75.00

| DEPARTMENTAL EXPENDITURES | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | TOTAL ENCUMBERED | BUDGET BALANCE | % YTD BUDGET |
|--|-------------------|-------------------|------------------------|---------------------|-------------------|-----------------|
| <u>TRAVEL & TRAINING</u> | | | | | | |
| 130-1700-56000 TRAINING | 11,075 | 0.00 | 3,883.00 | 0.00 | 7,192.00 | 35.06 |
| 130-1700-56100 TRAVEL/MEALS/LODGING | 13,500 | 3,208.24 | 5,433.96 | 0.00 | 8,066.04 | 40.25 |
| 130-1700-56200 MILEAGE | 750 | 0.00 | 677.48 | 0.00 | 72.52 | 90.33 |
| TOTAL TRAVEL & TRAINING | 25,325 | 3,208.24 | 9,994.44 | 0.00 | 15,330.56 | 39.46 |
| <u>CAPITAL OUTLAY</u> | | | | | | |
| 130-1700-57000 CAPITAL OUTLAY | 125,000 | 0.00 | 0.00 | 0.00 | 125,000.00 | 0.00 |
| TOTAL CAPITAL OUTLAY | 125,000 | 0.00 | 0.00 | 0.00 | 125,000.00 | 0.00 |
| <u>TRANSFERS & COST ALLOC.</u> | | | | | | |
| 130-1700-59001 COST ALLOCATION OUT-GENER | 93,302 | 0.00 | 93,302.00 | 0.00 | 0.00 | 100.00 |
| 130-1700-59101 TRANSFER OUT | 50,000 | 0.00 | 50,000.00 | 0.00 | 0.00 | 100.00 |
| 130-1700-59111 TRANSFER OUT - TECH REPLA | 604 | 0.00 | 604.00 | 0.00 | 0.00 | 100.00 |
| TOTAL TRANSFERS & COST ALLOC. | 143,906 | 0.00 | 143,906.00 | 0.00 | 0.00 | 100.00 |
| TOTAL ECONOMIC DEVELOPMENT | 692,404 | 34,373.58 | 326,858.18 | 13,386.52 | 352,159.30 | 49.14 |
| TOTAL EXPENDITURES | 692,404 | 34,373.58 | 326,858.18 | 13,386.52 | 352,159.30 | 49.14 |
| REVENUE OVER/(UNDER) EXPENDITURES | (10,232) | 28,170.79 | 106,732.23 (| 13,386.52)(| 103,577.71) | 912.29- |

EDC Regular Session

Meeting Date: 08/07/2017
Title: Request for Economic Development Incentives
Submitted By: Jason Alexander, Director
Finance Review: N/A **Legal Review:** N/A
City Manager Review: **Approval:** Bob Hart, City Manager

AGENDA ITEM

Consider and act on application from San Breth Hotels, LLC., requesting economic development incentives pursuant to the Chapter 380 Economic Development Program Policies and Procedures to construct and operate a hotel within the City of Corinth, Texas.

AGENDA ITEM SUMMARY/BACKGROUND

For several years, the Corinth Economic Development Corporation (CEDC) has actively recruited hotels to the Corinth market to complement the Comfort Inn and Suites, the first hotel constructed in the City in March 2009. It was not until approximately two years ago that, Marriott International, Incorporated, expressed interest in developing either their Fairfield Inn and Suites or TownePlace Suites brand in Corinth. Marriott International, Incorporated decided that their Fairfield Inn and Suites brand was a better fit for the market, and moved forward with selecting a franchisee (San Breth Hotels, LLC.) to develop and operate the hotel.

In recruiting Marriott International, Incorporated to invest in the community, the Corinth Economic Development Corporation (CEDC) discussed several sites with the brand, and currently, it appears that Millennium will be the future site of the hotel. The presence of the hotel offers multiple benefits for the City, including, but not limited to: (i) expanding the employment base; (ii) increased property and sales tax; (iii) strengthening community partnerships; and (iv) serving as a catalyst to attract increased development interest in the community.

Considering the benefits that the hotel can generate for the community, the economic development incentives that may be offered by the City and CEDC to San Breth Hotels, LLC., can ensure that the City and CEDC close the deal. This will secure an additional hotel within the community and demonstrate the commitment of both to development the highest quality; preserving and enhancing an outstanding quality of life that the community is known for; and showcase the potential of strong public-private partnerships.

San Breth Hotels, LLC., has been in the hotel development and operation business for nearly 20 years, with hotels under development and in operation throughout the Dallas-Fort Worth region. Securing the Fairfield Inn and Suites does hinge on the provision of economic development incentives, and may also provide an opportunity for both the City and CEDC to receive additional concessions from San Breth Hotels, LLC. relating to the design and construction of the facility, increasing employment opportunities and facilitating regionalism (i.e., considering economic development opportunities beneficial to Corinth and the Lake Cities). San Breth Hotels, LLC. is requesting economic development incentives pursuant to the Chapter 380 Economic Development Program Policies and Procedures to construct and operate a hotel within the City.

The application from San Breth Hotels, LLC., additional material related to the operations of Fairfield Inn and Suites, and a copy of the Chapter 380 Economic Development Program Policies and Procedures (adopted in December 2016) are included for review and consideration of the Board of Directors.

RECOMMENDATION

Staff recommends that the Board of Directors allow staff to engage San Breth Hotels, LLC. in negotiations for economic development incentives to construct and operate a hotel within the City of Corinth, Texas pursuant to provisions and procedures as set forth in the Chapter 380 Economic Development Program Policies and Procedures.

Attachments

Chapter 380 Economic Development Agreement

Chapter 380 Economic Development Incentives Application

Fairfield Inn Brochure

RESOLUTION NO. 16-12-01-27

A RESOLUTION OF THE CITY OF CORINTH, TEXAS TO ESTABLISH AND PROVIDE FOR A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM TO MAKE LOANS AND GRANTS OF PUBLIC MONEY TO PROMOTE STATE AND LOCAL ECONOMIC DEVELOPMENT, AND TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE MUNICIPALITY; TO PROVIDE GENERAL GUIDELINES AND CRITERIA FOR DETERMINING THE AMOUNT OF A LOAN OR GRANT; TO PROVIDE FOR AN APPLICATION PROCEDURE AND A PROCESS FOR ESTABLISHING CONTROLS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

WHEREAS, the attraction of long term investment and the establishment of permanent new jobs in the City of Corinth will enhance the economic base of area taxing entities; and

WHEREAS, the City of Corinth must compete with other communities across the nation currently offering tax inducements to attract new development; and

WHEREAS, granting economic development incentives is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any economic development incentives offered must be strictly limited in application to those new and existing businesses that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing authorities; and

WHEREAS, Chapter 380 of the *Texas Local Government Code* permits municipalities to establish and provide for economic development programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, as an incentive for the development or the redevelopment of property within the municipality; and

WHEREAS, the City Council of the City of Corinth, Texas desires to establish such a program to develop and expand the local economy by promoting and encouraging projects that will enhance the City's economic base, that will stimulate business and commercial activity and that will diversify and expand job opportunities;

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

I.

THAT the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct, and are incorporated herein in their entirety.

II.

THAT the Chapter 380 Economic Development Program Policies and Procedures attached hereto as Exhibit "A" and incorporated herein, is hereby adopted as the guidelines and criteria for the City of Corinth to make loans and grants of public money to promote economic development and stimulate business and commercial activity in the City pursuant to Chapter 380 of the *Texas Local Government Code*.

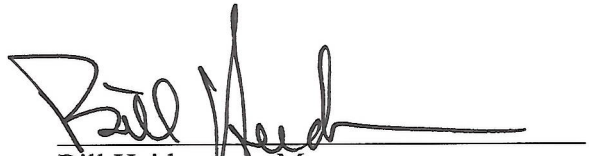
III.

THAT the City of Corinth may elect to make use of the Chapter 380 Economic Development Program Policies and Procedures, as set forth in Exhibit "A", to consider and negotiate incentives to enable and to encourage and sustain economic growth while also implementing sufficient control over public funds, and that said policies and procedures may be leveraged with other incentives provided by the City.

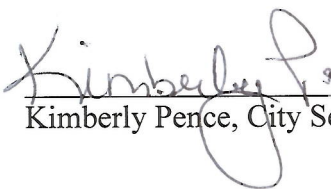
IV.

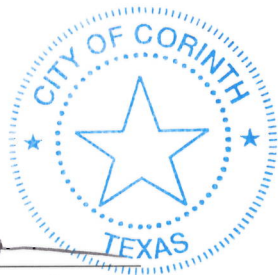
THAT this Resolution shall be effective immediately upon its approval.

PASSED, APPROVED AND EFFECTIVE this 1st day of December, 2016.


Bill Heidemann, Mayor

ATTEST:


Kimberly Pence, City Secretary



APPROVED AS TO FORM:


City Attorney

EXHIBIT "A"
CITY OF CORINTH, TEXAS
CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM POLICIES AND
PROCEDURES

SECTION 1.

GENERAL STATEMENT OF PURPOSE AND POLICY

The City of Corinth is dedicated to achieving and sustaining the highest quality of development in all areas of the City; and to a continuous improvement in the quality of life for its citizens. The City of Corinth has previously developed economic development programs and incentives designed to encourage high quality businesses and other commercial concerns to locate, expand and remain in the City of Corinth. Now the City of Corinth seeks to augment its economic development efforts to attract and retain high quality development and jobs by establishing these Chapter 380 Economic Development Program Policies and Procedures ("Policies and Procedures") as a guide when considering applications for economic development incentives.

These Policies and Procedures are established in an effort to develop and expand the local economy by promoting and encouraging development and redevelopment projects that enhance Corinth's economic base; diversifying and expanding employment opportunities across generational boundaries; and promoting projects that create additional revenue for Corinth, without substantially increasing demand on City services or infrastructure. Ultimately, the preeminent purpose of the programs established under these Policies and Procedures is to protect and augment the City's ability to continuously deliver first class municipal services for the safety, enjoyment and comfort of Corinth residents.

In furtherance of these goals, the City may elect, on a case-by-case basis, to give consideration to providing incentives to applicants in accordance with these Policies and Procedures as authorized by Chapter 380 of the *Texas Local Government Code*, as amended from time to time.

Nothing in these Policies and Procedures shall be intended to imply or suggest that the City is under any obligation to provide incentives to any applicant. All applicants shall be considered on a case-by-case basis. Approval or denial of any incentives shall be at the sole discretion of City Council. Those applicants granted incentives as a Chapter 380 Economic Development Program,

under these Policies and Procedures, shall be required to enter into an agreement with the City containing all of the terms required in Section 7, and as required by applicable state laws, in order to protect the public's interest of receiving a public benefit in exchange for public funds, assets and services invested to stimulate economic development in Corinth.

SECTION 2.

DEFINITIONS

Wherever used in these Policies and Procedures, the following terms shall have these meanings ascribed to them:

- A. AGREEMENT: shall mean a contractual agreement between a property and/or business owner and the City for the purpose of providing one or more economic development programs.
- B. BUSINESS PERSONAL PROPERTY: shall mean tangible personal property other than inventory and supplies:
 - 1. that is subject to ad valorem taxation by the City;
 - 2. that is located on the property subject to an incentive agreement;
 - 3. that is owned or leased by the party to the incentive agreement; and
 - 4. that was not located in the City prior to the effective date of the incentive agreement.
- C. CITY: shall mean the City of Corinth, Texas.
- D. CITY ATTORNEY: shall mean the City Attorney of the City of Corinth, Texas.
- E. CITY COUNCIL: shall mean the City Council of the City of Corinth, Texas.
- F. FULL-TIME JOB: shall mean:
 - 1. employment of at least thirty-five (35) hours per week with full benefits, including at a minimum, health and disability insurance and retirement plan options;
 - 2. employment with an average (mean) hourly wage equal to, or above that calculated by the United States Bureau of Labor for the Dallas-Fort Worth-Arlington Metropolitan Statistical Area; and
 - 3. does not include seasonal employment.
- G. MIXED-USE: shall mean a project in which no more than fifty (50) percent of the total gross floor area will be used as residential space and no less than fifty (50) percent of the

total gross floor area used for hotel, office, restaurant and/or retail uses as defined in the Corinth Unified Development Code as amended from time to time.

- H. TARGET INDUSTRY: shall mean a business, structure or other project deemed vital to the City's current, anticipated or ongoing growth and development needs and goals. The City has discretion to determine its "needs" from time to time as the City's circumstances warrant, or as the City determines appropriate to meet or further its development or other economic goals.

SECTION 3.

PROGRAM REQUIREMENTS

- A. To be eligible for consideration to receive incentives as a Chapter 380 Economic Development Program, a project must first meet one or more of the minimum requirements set forth in Paragraph A.1. and one or more of the minimum requirements set forth in Paragraph A.2.:
1. The project:
 - (a) will result in a minimum increased taxable value for the City of Two Hundred and Fifty Thousand Dollars (\$250,000.00) in real property and/or business personal property (excluding inventory and supplies) per City fiscal year within the City limits;
 - (b) is a mixed use project intended to develop or revitalize key areas of the City zoned for mixed-use development that incorporates a variety of different retail, restaurant, residential, office and/or hotel users within a coherent, high quality and sustainable setting; or
 - (c) is specifically determined by resolution of the City Council to bring public benefit to the City consistent with Section 1; AND
 2. In addition, the project:
 - (a) will make a unique or unequalled contribution to the development or redevelopment efforts within the City limits due to its:
 - (1) benefit to the environment;
 - (2) financial magnitude;
 - (3) significance to the community; or

- (4) superior functional or visual characteristics (e.g., architecture, landscape, land use, parking, signage, streetscapes, et cetera);
 - (b) will enhance the City's fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Corinth residents;
 - (c) will enhance the City's public infrastructure by including the improvement and/or construction of infrastructure that may or may not be contiguous to the project, and may or may not be related to the project (e.g., drainage, lamp posts, parking, roads, sidewalks, water/sewer);
 - (d) will result in an additional increase of full-time jobs within the City; or
 - (e) is a target industry.
- B. All projects shall be considered on a **case-by-case basis**. However, eligible projects meeting more than one requirement from Paragraphs A.1. and A.2. above will be preferred over projects that meet only the minimum of one requirement from Paragraphs A.1. and A.2. above.
- C. Preference is given to projects that bring new wealth to the community by creating and attracting new business and development or by retaining and expanding existing businesses. Projects shall not be eligible for incentives if a certificate of occupancy has been issued for the project, or in the case of businesses that will not acquire a certificate of occupancy, if construction has already commenced prior to making an application in accordance with these Policies and Procedures. Notwithstanding the foregoing, the City shall have the sole and absolute discretion to authorize incentives for the retention and expansion of an existing business or project as determined appropriate by the City to meet the goals of these Policies and Procedures.
- D. Incentives will be provided only to the extent that the revenue realized by the City, and attributable to the project, equals or exceeds the minimum amount established by the agreement. Furthermore, the public benefit or the amount of revenue realized by the City and attributable directly to the project must be commensurate with the value of any incentives granted under this program. The City retains the sole discretion to determine whether the standards set forth in these Policies and Procedures and/or executed agreements have been or will be met.

SECTION 4.

ADDITIONAL CONSIDERATIONS

Additional factors to be considered by the Corinth Economic Development Corporation in deciding whether to recommend a project to City Council for incentives include:

- A. the number and types of jobs to be created or retained;
- B. the market conditions and growth potential for the business activity;
- C. the financial capacity of the applicant to undertake and complete the proposed project;
- D. other incentive programs for which the applicant is qualified or has applied; and
- E. any other factors the Corinth Economic Development Corporation finds beneficial and/or relevant to accomplishing the City's economic development goals and objectives.

SECTION 5.

INCENTIVES

As incentives to business and commercial enterprises, the City may provide economic development loans or grants to the enterprise in a lump sum payment or through installment payments as deemed appropriate by City Council and as expressly set forth in the terms of an agreement approved by City Council.

SECTION 6.

APPLICATION PROCESS

- A. All applications for consideration as a Chapter 380 Economic Development Program shall be made on forms supplied by the Corinth Economic Development Corporation. Applications for incentives, and subsequent discussions under these Policies and Procedures, shall only occur after the project has been approved by the City (e.g., City Council, Planning and Zoning Commission and Planning and Development Department as applicable). Other than incentives for target industries, which City Council may review at any time in its discretion, applications submitted prior to City approval of any project will not be processed. Applicants may be required to furnish additional information to show compliance with the minimum requirements contained in Section 3 at any point in the application process. Eligible applications will be presented to the Board of Directors of the Corinth Economic Development Corporation first during their regular or special session.

If the Board of Directors determines the applicant has met the minimum Program Requirements in Section 3, then the Executive Director will be permitted to collaborate with the applicant to propose an agreement in accordance with the terms in Section 7. The applicant and the Executive Director shall have at least thirty (30) working days to propose an agreement; and only after the Executive Director and the applicant have drafted a proposed agreement, will it be presented to the Board of Directors of the Corinth Economic Development Corporation for a recommendation to the City Council.

- B. At its sole discretion, City Council may consider the proposed agreement, and may take action on the proposal as it deems appropriate. Under no circumstances shall anything in these Policies and Procedures, and/or anything in the application form and process create any property, contract or other legal right for any person, entity or corporation to have the City Council consider or grant incentives.
- C. Nothing within these Policies and Procedures shall be construed to prevent the City Council from modifying the terms and conditions of any incentives agreement recommended by the Corinth Economic Development Corporation to the City Council.
- D. Information provided by applicants on the Application Form may be subject to release to the public pursuant to the Texas Public Information Act as codified in Chapter 552 of the *Texas Government Code*. However, certain information provided to the City in connection with an application under these Policies and Procedures may be confidential and not subject to public disclosure until the incentives agreement is executed. The City will respond to requests for disclosure as required by law, and will assert exceptions to disclosure as it deems relevant. The City will make reasonable attempts to notify applicants of the request so it may assert its own objections to the Attorney General.

SECTION 7.

AGREEMENT TERMS

An agreement established under a Chapter 380 Economic Development Program shall at minimum include:

- A. a complete description of the location of the proposed program or projects included in the program;

- B. a timetable and list of the kind of improvements or development that the program will include, and conditions to assure that the program meets or exceeds the City's requirements relating to property values and revenues, which in no case shall be less than the minimum program requirements set forth in these Policies and Procedures, including without limitation those set forth in Section 3, above;
- C. a timetable and list of the kind and amount of property values, revenues, incomes or other public benefits that the proposed program will provide;
- D. a provision establishing the duration of the agreement;
- E. a provision identifying the method for calculating and the source of funding for any grant, loan, refund, in-kind or other incentive either up front or over the time provided in the agreement;
- F. a provision identifying whether any grant, loan or other incentive provided in the agreement will be utilized for construction costs or for other specified business expenses;
- G. a provision providing benchmarks or other tangible means for measuring whether the applicant and other responsible parties have met their obligations under the agreement;
- H. a provision providing for access to and authorizing inspection of the property and applicant's pertinent business records by municipal employees in order to determine compliance with the agreement;
- I. a provision for the cancellation of the agreement and/or nonpayment of incentives if the program is determined to not be in compliance with the agreement;
- J. a provision for recapturing City funds granted or loaned, or for recapturing the value of other public assets granted or loaned, if the applicant does not meet his/her/its/their duties and obligations under the terms of the agreement;
- K. a provision that allows assignment of the agreement with prior written approval of the City Council and at the sole discretion of the City Council provided that:
 - 1. all the duties, liabilities, obligations and rights under the agreement are assigned from the assignor to the assignee; and
 - 2. the assignment document is in a form and contains content acceptable to the City Attorney;
- L. provisions relating to administration, delinquent taxes, indemnification and reporting requirements are included;

- M. a provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement;
- N. a provision providing for auditing of the program, including authorizing City access to both non-privileged and/or confidential documents for the purpose of conducting the audit; and
- O. other provisions as the City Council shall deem appropriate.

SECTION 8.

SEVERABILITY

It shall be the policy and intention of the City to consider and negotiate agreements which are legally subject to being adopted under the laws of the State of Texas. Should any section, subsection, paragraph, sentence, phrase or word in these Policies and Procedures be held to be invalid, illegal or unconstitutional by a court of competent jurisdiction, the balance of these Policies and Procedures shall stand, and shall remain enforceable.



THE CITY OF CORINTH, TEXAS

APPLICATION FOR CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVES

The City of Corinth is dedicated to achieving and sustaining the highest quality of development in all areas of the City; and to a continuous improvement in the quality of life for its citizens. Towards this end, the City may elect, on a case-by-case basis, to give consideration to providing incentives as authorized by the Chapter 380 Economic Development Program Policies and Procedures, and pursuant to the provisions of Chapter 380 of the *Texas Local Government Code*. It is the policy of the City that said consideration will be provided in accordance with the guidelines and criteria as set forth therein. Nothing in the Chapter 380 Economic Development Program Policies and Procedures shall imply or suggest that the City is under any obligation to provide incentives to any applicant. All applications for incentives shall be considered on a case-by-case basis; and should be filed with the **Executive Director of the Corinth Economic Development Corporation, 3300 Corinth Parkway, Corinth, Texas, 76208.**

A. APPLICANT INFORMATION:

1. COMPANY NAME: San Breth Hotels, LLC
2. COMPANY REPRESENTATIVE: Jay Patel
3. COMPANY TITLE: managing member
4. WEBSITE ADDRESS: None
5. MAILING ADDRESS: 205 Bayou Ct.
6. CITY, STATE, ZIP: Coppell, Texas 75019
7. TELEPHONE NUMBER: 214-926-6034

8. E-MAIL ADDRESS: Jay@bwdallas.com

B. PROPERTY OWNER (IF NOT THE SAME AS ITEM A):

- 1. NAME: _____
 - 2. MAILING ADDRESS: _____
 - 3. CITY, STATE, ZIP: _____
 - 4. TELEPHONE NUMBER: _____
 - 5. E-MAIL ADDRESS: _____
- Same* /

C. WILL THE APPLICANT:

- 1. OWN THE PROPERTY: YES NO
- 2. LEASE THE PROPERTY: YES NO
- 3. IF LEASING, WHAT IS THE LENGTH OF THE LEASE?

D. DESCRIBE THE COMPANY'S PRODUCTS AND/OR SERVICES.

Develop & operate limited to full service
Hotels. We have been in hotel business
for 20+ years.

E. PROJECT DESCRIPTION:

1. WILL THE PROJECT INVOLVE NEW CONSTRUCTION?

YES NO

2. WILL THE PROJECT INVOLVE THE RENOVATION OF AN EXISTING BUILDING?

YES NO

3. WHAT IS THE ESTIMATED COST OF CONSTRUCTION?

\$12,000,000 (cost of land 1.3 million)

4. WHAT WILL BE THE SIZE OF THE BUILDING OR BUILDINGS (SQUARE FEET)?

100,000 square feet

5. WHEN COULD CONSTRUCTION BEGIN?

By end of 2017. As soon as the Developer develops the infrastructure.

6. WHEN WOULD CONSTRUCTION END?

One year from beginning of construction

7. HOW MANY CONSTRUCTION JOBS WILL BE CREATED?

200 plus

8. WHAT IS THE ESTIMATED PAYROLL FOR NEW CONSTRUCTION?

Approximately One Million Dollars

F. PROJECT THE NUMBER OF NEW FULL-TIME JOBS THIS PROJECT WILL CREATE WITHIN TEN (10) YEARS FROM THE ESTIMATED DATE OF OCCUPANCY, OR THE INITIATION OF OPERATIONS. FOR THE PURPOSE OF THIS APPLICATION, "FULL-TIME JOB" SHALL BE DEFINED AS ASCRIBED IN THE CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM POLICIES AND PROCEDURES.

To be determined by Developer

G. PROJECT THE NUMBER OF FULL-TIME JOBS THIS PROJECT WILL RETAIN, TEN (10) YEARS FROM THE ESTIMATED DATE OF OCCUPANCY, OR THE INITIATION OF OPERATIONS.

45

H. PROJECT THE NUMBER OF FULL-TIME JOBS THIS PROJECT WILL CREATE AND RETAIN IN EACH CATEGORY, AND AT THE ESTIMATED DATE OF OCCUPANCY, OR THE INITIATION OF OPERATIONS:

| | |
|----------------------|-----------|
| 1. EXECUTIVE. | <u>05</u> |
| 2. PROFESSIONAL. | <u>05</u> |
| 3. MANAGERIAL. | <u>04</u> |
| 4. TECHNICAL. | <u>06</u> |
| 5. GENERAL STAFF. | <u>25</u> |
| 6. PRODUCTION STAFF. | <u>0</u> |
| 7. TOTAL: | <u>45</u> |

I. ATTACH A ROSTER OF ALL CREATED AND RETAINED POSITIONS, ALONG WITH THE AVERAGE ANNUAL SALARIES AND WAGES PER POSITION.

J. THE PROJECTED PAYROLL AT:

1. THE ESTIMATED DATE OF OCCUPANCY, OR INITIATION OF OPERATIONS.

\$ 700,000

2. THE END OF TEN (10) YEARS.

\$ 1,000,000

K. PROJECT THE NUMBER OF FULL-TIME JOBS, CREATED AND RETAINED, TO BE FILLED BY CURRENT AND FUTURE RESIDENTS OF THE CITY OF CORINTH TEN (10) YEARS FROM THE ESTIMATED DATE OF OCCUPANCY, OR THE INITIATION OF OPERATIONS.

45

L. INDICATE THE NUMBER OF ACRES OF REAL PROPERTY TO BE DEVELOPED OR IMPROVED.

2007 Acres-out of 20 Plus Acres of Development

M. FOR THE REAL PROPERTY TO BE DEVELOPED OR IMPROVED, PLEASE ATTACH THE FOLLOWING:

1. A TIME SCHEDULE TO UNDERTAKE AND COMPLETE THE PROJECT.
2. A PLAT OR SURVEY OF THE PROPERTY, WITH METES AND BOUNDS, AND ALL OF THE ROADWAYS WITHIN 500 FEET OF THE SITE.
3. A TAX CERTIFICATE VERIFYING THERE ARE NO PAST DUE TAXES ON THE PROPERTY.

N. DESCRIBE HOW THE PROJECT WILL MEET THE PROGRAM REQUIREMENTS AS PROVIDED IN SECTION 3 OF THE "CITY OF CORINTH CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM POLICIES AND PROCEDURES."

will increase the ~~total~~ taxable value over \$250,000. (\$12,000,000). Project will increase the City's ability to deliver high quality municipal services & ad valorem tax.

O. HOW WILL THIS PROJECT ATTRACT OTHER NEW BUSINESSES TO CORINTH?

This project is part of a major development called the "millinium" which ~~will~~ with hotel presence will attract lots of retail & restaurants not excluding other businesses.

P. WHAT IS THE EXPECTED BENEFIT TO THE LOCAL ECONOMY (I.E., PROJECTED LOCAL ANNUAL PROPERTY AND SALES TAX GENERATED DIRECTLY FROM THE PROJECT)? ATTACH A BUSINESS PRO FORMA OR OTHER DOCUMENTATION TO PROJECT THE EXPECTED BENEFITS BY EACH YEAR, FOR TEN (10) YEARS AFTER PROJECT COMPLETION.

City occupancy tax, property tax, job creation for city of Corinth, residents and overall city tax benefits of \$500,000 plus.

- Q. THE EXISTING VALUE OF REAL PROPERTY TO BE DEVELOPED OR IMPROVED (PLEASE ATTACH A COPY OF THE MOST RECENT PROPERTY TAX STATEMENT FROM THE DENTON COUNTY APPRAISAL DISTRICT). *N/A. (New Development)*
- R. THE EXISTING VALUE OF BUSINESS PERSONAL PROPERTY (PLEASE ATTACH A COPY OF THE MOST RECENT PROPERTY TAX STATEMENT FROM THE DENTON COUNTY APPRAISAL DISTRICT).
- S. THE ESTIMATED VALUE OF REAL PROPERTY IMPROVEMENTS.
N/A. (New Development)
- T. THE ESTIMATED VALUE OF BUSINESS PERSONAL PROPERTY TO BE ADDED.
N/A. (New Development)
- U. THE TOTAL ESTIMATED VALUE OF REAL PROPERTY IMPROVEMENTS AND/OR BUSINESS PERSONAL PROPERTY TO BE ADDED (TOTAL OF ITEMS S AND T).

V. PROVIDE A BRIEF NARRATIVE OF THE PUBLIC INFRASTRUCTURE AND PUBLIC SERVICES REQUIRED FOR THE PROJECT:

1. ELECTRICITY.

yes.

2. NATURAL GAS.

yes.

3. ROADWAYS.

yes.

4. TELECOMMUNICATIONS.

yes.

5. WASTEWATER.

yes.

6. WATER.

yes.

W. DESCRIBE ANY ENVIRONMENTAL IMPACTS ASSOCIATED WITH THIS PROJECT.

None.

X. IS THE PROPERTY APPROPRIATELY ZONED FOR THIS PROJECT?

YES NO

Y. WILL THE PROJECT REQUIRE ANY VARIANCES FROM THE CITY OF CORINTH'S CODES, ORDINANCES OR REGULATIONS (E.G., BUILDING CODES, ELECTRICAL CODES, PLUMBING CODES, ZONING ORDINANCES, ET CETERA)?

YES NO

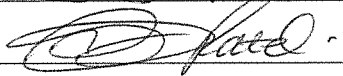
Z. IS THE PROPERTY PLATTED?

YES NO

AA. IF YES, WILL RE-PLATTING BE NECESSARY?

YES NO

I certify that the information contained in this application (including all attachments) to be true and accurate to the best of my knowledge. I further certify that I have read the "City of Corinth Chapter 380 Economic Development Program Policies and Procedures," and that I agree to comply with the guidelines and criteria stated therein, and that participation in such incentives does not eliminate any obligation on my part to satisfy all codes, ordinances and regulations of the City of Corinth, Texas, or any other governmental entity that has jurisdiction regarding this project. The undersigned is authorized in all respects to submit this application on behalf of the named company:

PRINT NAME: Jay Patel
SIGNATURE: 
COMPANY: Sam Brett Hotels, LLC.
TITLE: managers.
DATE: 02/20/17.

APPLICANTS MAY ATTACH ADDITIONAL SHEETS AS NECESSARY TO COMPLETE THE APPLICATION. UPON RECEIPT OF THIS APPLICATION, THE CITY OF CORINTH SHALL REQUIRE FINANCIAL AND OTHER INFORMATION AS MAY BE DEEMED APPROPRIATE FOR EVALUATING THE FINANCIAL CAPACITY AND OTHER RELEVANT FACTORS OF THE APPLICANT.

FAIRFIELD INN & SUITES®

GEN 4 Proto-Model Design

ARCHITECTURE AND CONSTRUCTION





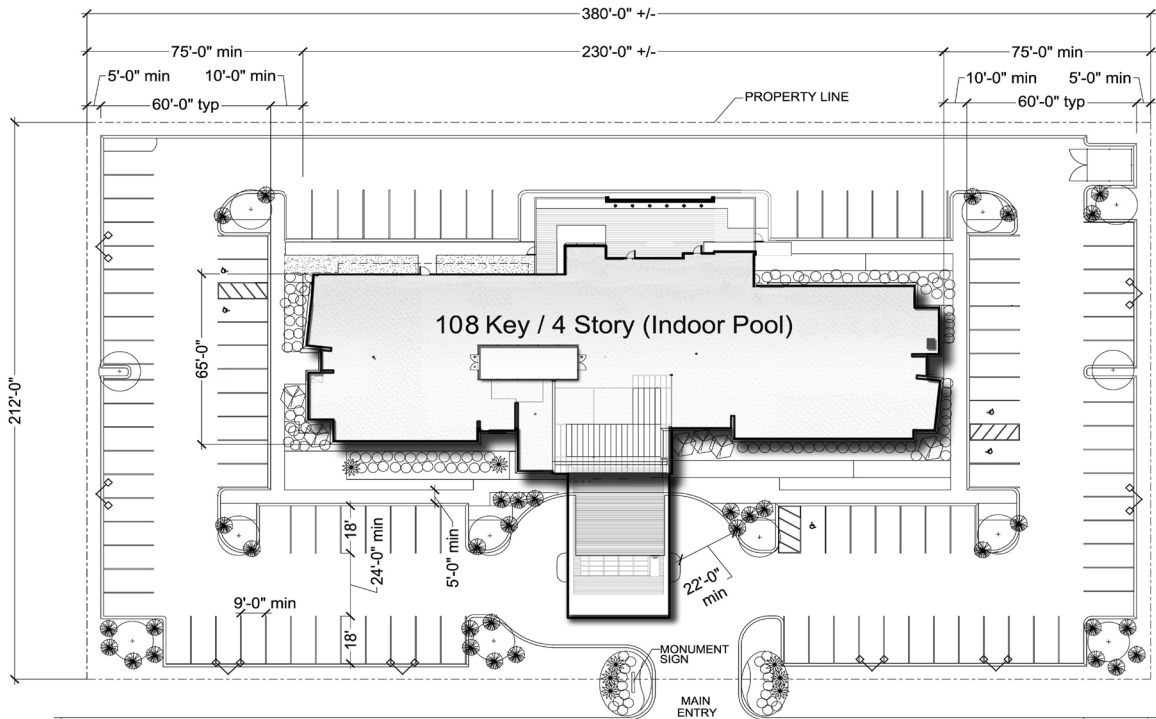
SITE SUMMARY

| | |
|-----------------|------------|
| Building Length | 230 feet |
| Building Depth | 65 feet |
| Land | 1.85 acres |
| Parking | 110 spaces |

Site statistics based on a 108-room primary market proto-model.



Front Elevation



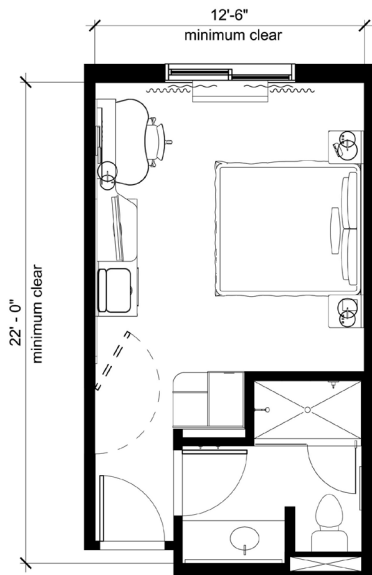
Site Plan



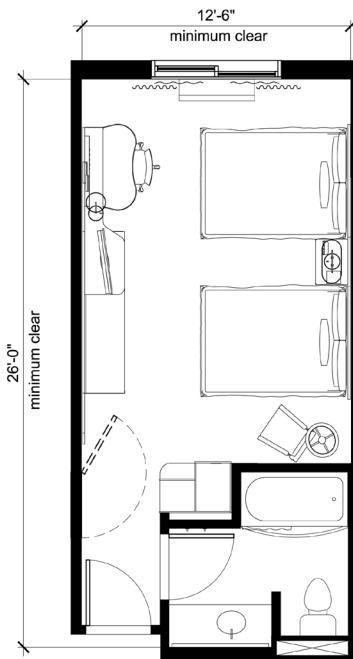
TYPICAL UNIT MIX

| | |
|-------------------|-----|
| King | 34% |
| Queen/Queen | 40% |
| King Suite | 24% |
| Queen/Queen Suite | 2% |

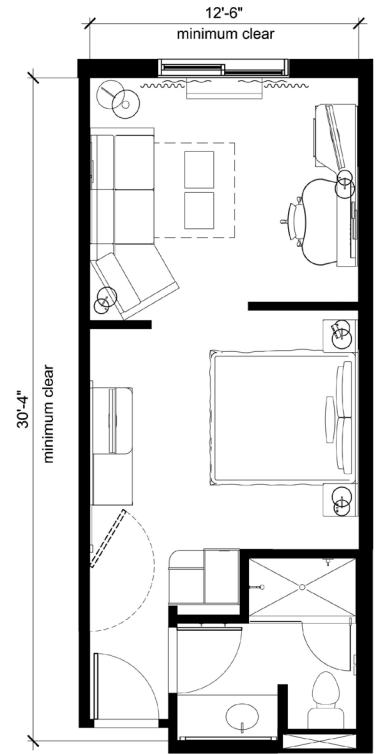
Unit mix is based on a 108-room primary market proto-model.



King



Queen/Queen



King Suite



Ground Floor



Typical Floor

Fairfield Inn & Suites Criteria Facilities Program
Program (Prototype)

| GUEST ROOMS | | Units | Unit Area | Total (sf) |
|------------------------------------|-------------|------------|-----------|---------------|
| King | 32% | 35 | 275 | 9,625 |
| Queen/Queen | 39% | 42 | 325 | 13,650 |
| Accessible King | 2% | 2 | 313 | 625 |
| Accessible Queen/Queen | 1% | 1 | 379 | 379 |
| King Suite | 23% | 25 | 379 | 9,478 |
| Queen/Queen Suite | 1% | 1 | 475 | 475 |
| Accessible King Suite | 1% | 1 | 475 | 475 |
| Accessible Queen/Queen Suite | 1% | 1 | 475 | 475 |
| Total Units | 100% | 108 | | |
| Total Guest Room Area (Net) | | | | 35,182 |
| Number of Floors | | 4 | | |

| GUEST ROOM SUPPORT/CIRCULATION | Per Floor | Unit Area | Total (sf) |
|---|-----------|-----------|--------------|
| Corridors/Elevator Lobby | 1 | | 4,645 |
| Stairs | 2 | 155 | 1,240 |
| Elevators | 2 | 55 | 110 |
| Linen Storage | 1 | 160 | 480 |
| Ice/Vending | 1 | 140 | 420 |
| Guest Laundry | | | 115 |
| Mechanical/Electrical | | | 305 |
| Storage/Miscellaneous | | | 380 |
| Total Guest Room Support/Circulation | | | 7,695 |

| FRONT OF HOUSE | Total (sf) |
|------------------------------------|--------------|
| Food & Beverage | |
| Breakfast Area (52 seats) | 1,280 |
| Corner Market | 75 |
| Main Vending Area | 65 |
| Function | |
| Meeting/Conference Room (optional) | 0 |
| Connect & Print Zone | 190 |
| Recreation | |
| Exercise Room | 295 |
| Indoor Pool | 1,045 |
| Public Circulation | |
| Lobby/Lounge | 890 |
| Vestibules (Front & Rear) | 145 |
| Circulation | 575 |
| Public Toilets | 120 |
| Total Front of House | 4,680 |

| BACK OF HOUSE | Total (sf) |
|---------------------------------------|--------------|
| Administration | |
| Front Desk (included in Lobby/Lounge) | 0 |
| Work Area | 230 |
| General Manager's Office | 110 |
| Administration Storage | 25 |
| Employee | |
| Employee Break Room | 210 |
| Employee Restroom (optional) | 0 |
| Laundry | |
| Main Laundry | 635 |
| Laundry Chute/Soiled Linen | 50 |
| Housekeeping Office (optional) | 0 |
| Kitchen | |
| Preparation Area | 390 |
| Engineering | |
| Engineering Office/Storage | 195 |
| Miscellaneous Service | |
| General Storage (optional) | 0 |
| Mechanical/Electrical (Main) | 210 |
| Janitor's Closet | 40 |
| Video/Telephone Equipment Room | 130 |
| Pool Equipment/Storage | 60 |
| Water Room | 100 |
| Elevator Equipment Room | 100 |
| Total Back of House | 2,485 |

| SUMMARY | Total (sf) |
|---|---------------|
| Total Guest Rooms | 35,182 |
| Total Guest Room Support/Circulation | 7,695 |
| Total Front of House | 4,680 |
| Total Back of House | 2,485 |
| Total Net Building Area | 50,042 |
| Walls and Shafts | 4,372 |
| Total Gross Building Area | 54,414 |
| Total Square Foot Per Room | 504 |
| Data is based on a 108-room primary market proto-model. | |

* The swimming pool is a required amenity in all Fairfield Inn & Suites hotels. The prototype allows flexibility for an indoor or outdoor option.

DISCLAIMER: The information released by Marriott® International in this communication with respect to the Fairfield Inn & Suites Generation 4 project is provided to the owner and franchise community merely as a guide and all information and supporting documentation serves solely as guidelines as of January 2012, and is not, and should not be considered, final. All plans regarding this project are routinely updated and remain subject to revision and clarification.



It's Right. It's Easy. It Works.

Target Guest: Resourceful Achiever

The Fairfield Inn & Suites target guests are the most productivity-oriented of the select-service/extended-stay brands and are seeking confidence that they will have a positive travel experience. They are looking for:

- Confidence they will experience a “problem free” stay
- Respect, courtesy and reliable service
- Exceptional value
- Everything in working order
- Ability to keep their routine intact
- Straightforward and uncomplicated communication

Brand Positioning: Confident Travel

Only Fairfield Inn & Suites provides you with everything you need at an exceptional value. We give you the confidence that your trip will succeed, because we know you well enough to consistently deliver a hotel experience that's **just right**.

Flexible Designs for Evolving Markets

Fairfield Inn & Suites' new prototype provides owners and investors with options and flexibility to meet specific market needs and deliver a strong ROI. Whether the hotel is located in an urban, secondary or tertiary market, this innovative design allows owners to adapt the model based on location and site requirements.

