

FEB 08 2022

RESOLUTION 17,270 (1)

**A RESOLUTION OF THE COMMISSIONERS COURT, OF HUNT COUNTY, TEXAS, APPROVING AN AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER TWO, CITY OF ROYSE CITY, TEXAS (THE "PARTICIPATION AGREEMENT")**

BECKY LANDRUM  
County Clerk, Hunt County, Tex.

WHEREAS, on November 9, 2021, the City Council of the City of Royse City, Texas, in accordance with Chapter 311 of the Texas Tax Code (the "Act") adopted Ordinance No. 21-11-1472 designating certain real property and establishing Reinvestment Zone No. 2, City of Royse City, Texas (the "TIF District"); and

WHEREAS, Hunt County, Texas (the "County") levies taxes on real property located in the TIF District; and

WHEREAS, the Act provides that a taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for such reinvestment zone unless it enters into a participation to do so with the governing body of the municipality that created the zone; and

WHEREAS, the Act further provides that a participation agreement may be entered into any time before or after the tax increment reinvestment zone is created; and

WHEREAS, the Commissioners Court of Hunt County has found that entering into the Participation Agreement for the TIF District is in the best interest of health, safety and welfare of Hunt County, Texas;

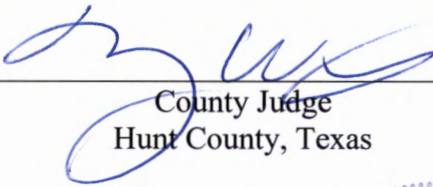
**NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF HUNT COUNTY, TEXAS:**

Section 1. Findings. The statements contained in the preamble to this Resolution are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.


Section 2. Participation Agreement. The Hunt County Commissioners Court, having considered all relevant factors, hereby resolves to enter into the Participation Agreement attached to this resolution as Exhibit "A" with respect taxes levied by the County on real property within the TIF District.

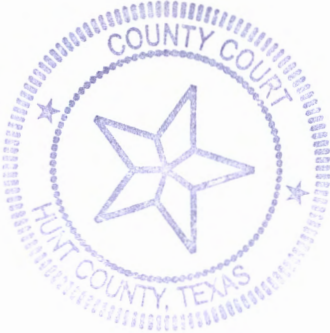
The foregoing Resolution was read and adopted on February 8, 2022.

*(Signatures on Following Page)*

  
\_\_\_\_\_  
County Judge  
Hunt County, Texas

**ATTEST:**

  
\_\_\_\_\_  
County Clerk  
Hunt County, Texas



**EXHIBIT "A"**

**Agreement to Participate in Reinvestment Zone Number Two, City of Royse City, Texas**

17,270 (2)

**CITY OF ROYSE CITY AND HUNT COUNTY, TEXAS**  
**AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER TWO,**  
**CITY OF ROYSE CITY, TEXAS**

FILED FOR RECORD  
at 1:00 o'clock P M

FEB 08 2022

BECKY LANDRUM  
County Clerk, Hunt County, Tex.

This **AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER TWO, CITY OF ROYSE CITY, TEXAS** (the "Agreement") is entered into between the City of Royse City, Texas (the "City") and Hunt County, Texas (the "County").

The City and the County hereby agree that the following statements are true and correct and constitute the basis up on which the City and the County have entered into this Agreement:

**WHEREAS**, on November 9, 2021, the City Council of the City (the "City Council"), in accordance with Chapter 311 of the Texas Tax Code (the "Act"), adopted Ordinance No. 21-11-1472 designating certain real property located in the City and establishing *Reinvestment Zone Number 2, City of Royse City, Texas* (the "TIF District"). Ordinance No. 21-11-1472, with all its accompanying exhibits, is hereby incorporated for reference for all purposes and is attached hereto as "**Exhibit 1;**" and

**WHEREAS**, designation of the TIF District will enable development of property in and around the TIF District to occur that would not occur otherwise in the foreseeable future. As a result of designation of the TIF District, it is intended that public infrastructure will be funded to support the development of the area in and around the TIF District and this overall development will result in increased tax revenues and other benefits for both the City and the County; and

**WHEREAS**, pursuant to Section 311.013(f) of the Act, the County is not required to pay any tax increment into the tax increment fund of the TIF District unless it enters into an agreement with the City to do so. The County wishes to enter into such an agreement with the City;

**NOW, THEREFORE**, for and in consideration of the conditions set forth herein. The sufficiency of which is hereby acknowledged, the City and the County do hereby contract, covenant and agree as follows:

**1. INCORPORATION OF RECITALS.**

The parties hereby agree that the recitals set forth above are true and correct and form the basis upon which they have entered into this Agreement.

**2. DEFINTIONS.**

In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

**"Act"** means the Tax Increment Financing Act, as amended and codified as Chapter 311 of the Texas Tax Code.



**“Captured Appraised Value”** in a given year means the total appraised value of all real property taxable by the County and located in the TIF District for that year less the Tax Increment Base.

**“Preliminary Project Plan”** means the project plan for the development and/or redevelopment of the TIF District, as adopted by the TIF Board and approved by the City Council of the City. (The Final Project Plan will be recommended by the TIF Board to the City Council and if approved by the City Council will be forwarded to the County for their records.)

**“TIF Board”** means the governing board of directors of the TIF District appointed in accordance with Section 311.009 of the Act and Section 4 of the City Ordinance No. 21-11-1472. The County shall appoint and maintain at least one (1) member on the TIF Board, and may appoint non-voting ex-officio members or staff members who shall also be notified of all TIF Board meetings and actions.

**“TIF District”** means the certain real properties and boundaries as described in an exhibit attached to the Preliminary Project Plan and labeled as “Exhibit A” to Exhibit 1.

**“Tax Increment”** in a given year means the amount of property taxes levied and collected by the County for that year on the Captured Appraised Value of real property taxable by the County and located in the TIF District.

**“Tax Increment Base”** means the total appraised value as of January 1, 2021 of all real property taxable by the County and located in the TIF District.

**“Tax Increment Fund”** means the fund created by the City pursuant to Section 311.014 of the Act and City Ordinance No. 21-11-1472, which will be maintained by the City, into which all revenues of the TIF District will be deposited, including: (i) deposits of Tax Increment by the City and by other participating taxing units with jurisdiction over real property in the TIF District, including the County, and (ii) all accrued interest earned on the cash balance of the fund.

**“TIF Ordinance”** means City Ordinance No. 21-11-1472 with all its exhibits, attached hereto as **“Exhibit 1.”**

### **3. DEPOSIT OF TAX INCREMENT.**

Pursuant to the Resolution adopted by the County, which Resolution is attached hereto as **“Exhibit 2”** and is hereby made a part of this Agreement for all purposes, and specifically subject to Section 4 of this Agreement, the County hereby agrees to deposit each year during the remaining term of the TIF District, beginning with the 2021 tax year, fifty percent (50%) of their Tax Increment.

Such deposits shall be calculated by the Hunt County Appraisal District (the “CAD”) and reported to the County and City. The Tax Increment for the County in a given year shall be paid to the TIF Fund by CAD and reported to the County. The City will provide to CAD and County receipt of such.

**4. LIMITATIONS ON TAX INCREMENT DEPOSITS AND USE OF FUNDS.**

This Agreement is based on the following conditions, and the City agrees and acknowledges the County's right to enforce the conditions contained herein by in junction or any other lawful means in the event one or more of such conditions are not satisfied.

**4.1 Amendment to TIF Ordinance.**

The TIF Ordinance designates the boundaries, the eligible real properties for the calculation of Tax Increment for the TIF District, and the specific participation level by the City. All amendments to the TIF Ordinance shall be approved by the TIF Board prior to approval by the City Council. If the City Council approves an amendment to the TIF Ordinance different from the amendment approved by the TIF Board, the County shall suspend payment into the TIF Fund as described in Section 6 until the amendment is approved by the County governing body.

**4.2 TIF District Expansion.**

As defined, the TIF District shall include real properties located within the boundaries as described in the TIF Ordinance. If the TIF District is expanded, the County is not required to deposit into the Tax Increment Fund any Tax Increment generated from properties in the expanded area unless participation in the expanded boundary area is approved by the County governing body as an amendment to this Agreement. Additionally, the Tax Increment deposited into the Tax Increment Fund by the County may not be used for any permissible project costs in any portion of the expanded area of the TIF District unless approved by the County governing body.

**5. TERM.**

This Agreement shall take effect on the date as of which both parties have executed it and shall expire upon expiration or termination of the TIF District, which currently is December 31, 2066 (with final year's tax to be collected by September 30, 2067), or an earlier termination date designated by ordinance subsequently adopted by the City Council of the City.

**6. TIF FUND AND FINAL ACCOUNTING OF FUNDS.**

No later than June 1 of each year following execution of this Agreement, the City shall provide the County with an annual accounting of the funds deposited to and disbursed from the Tax Increment Fund, including accrued interest. After all project costs of the TIF District have been paid or at the time of the expiration of the Agreement, any funds remaining in the Tax Increment Fund following the final annual accounting by the City shall be paid to each taxing unit participating in the TIF District in proportion to each taxing unit's share of the total amount of the Tax Increment deposited into the Tax Increment Fund.

**7. RESPONSIBILITY FOR ACTS.**

The City and the County shall each be responsible for the sole negligent acts of their officers, agents, or employees or separate contractors. In the event of joint and concurrent

negligence of both the City and the County, responsibility, if any, shall be apportioned comparatively with the laws of the State of Texas, with the understanding that neither party waives any governmental powers or immunities or any other defenses available to each individually.

**8. ADMINISTRATION OF AGREEMENT.**

This Agreement shall be administered on behalf of the City by the City Manager's Office of the City, or his designee.

**9. NOTICES.**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party may subsequently designate in writing, by certified mail, postage prepaid, or by hand delivery:

CITY:

City of Royse City  
Attn: City Manager

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COUNTY

Hunt County  
Attn: County Judge Bobby W. Stovall  
Hunt County Courthouse  
2507 Lee St., 2nd Floor  
Greenville, Texas 75401

With copies to:

Jason Day  
City Attorney

\_\_\_\_\_  
\_\_\_\_\_

Daniel W. Ray  
Hunt County Civil Attorney  
Scott, Ray, Pemberton & Goll, PLLC  
P.O. Box 1353  
Greenville, Texas 75401

or to such other address as either party may request, in writing, from time to time.

**10. NO WAIVER.**

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

**11. VENUE AND JURISDICTION.**

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Hunt County, Texas or the United States District Court for the Northern District of Texas – Dallas Division. This Agreement shall be construed in accordance with the laws of the State of Texas.



**12. NO THIRD PARTY RIGHTS.**

The provisions and conditions of this Agreement are solely for the benefit of the City and the County and are not intended to create any rights, contractual or otherwise, to any person or entity.

**13. FORCE MAJEURE.**

The parties shall exercise every reasonable effort to meet their respective obligations as set forth in this Agreement, but shall not be held liable for any delay in or omission of performance due to force majeure or other causes beyond their reasonable control, including but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of omission, acts of terrorism, fires, strikes, lockouts, national disasters, wars, riots, material or labor restrictions, transportation problems and/or any other cause beyond reasonable control of either party.

**14. INTERPRETATIONS.**

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

**15. CAPTIONS**

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

**16. ENTIRETY OF AGREEMENT/AMENDMENTS**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and the County as to matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended, modified, or supplemented unless executed in writing by both parties and approved by the County and the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code, as amended.

**17. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.



EXECUTED as of the later date below:

CITY OF ROYSE CITY, TEXAS

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

\_\_\_\_\_, City Manager

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

APPROVED AS TO FORM/LEGALITY:

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

\_\_\_\_\_, City Attorney

ATTEST:

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

\_\_\_\_\_, City Secretary

HUNT COUNTY

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

Bobby W. Stovall, Hunt County Judge

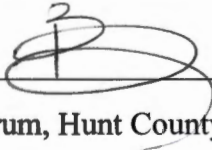
Date: \_\_\_\_\_

APPROVED AS TO FORM

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

Daniel W. Ray, Hunt County Civil Attorney

ATTEST:

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

Becky Landrum, Hunt County Clerk



**EXHIBIT 1**

ORDINANCE NO. 21-11-1472 OF THE CITY OF ROYSE CITY  
ESTABLISHING REINVESTMENT ZONE NUMBER 2, CITY OF ROYSE CITY, TEXAS,  
AND ALL ASSOCIATED EXHIBITS

*[Remainder of this page intentionally left blank.]*

**EXHIBIT 2**

RESOLUTION NO. \_\_\_\_\_ ADOPTED BY THE COUNTY

*[Remainder of this page intentionally left blank.]*