MODEL FORM

STATE OF TEXAS \$ \$ Home Improvement Program Incentive Agreement \$ COUNTY OF DALLAS \$

This Economic Development Incentive Agreement ("Agreement") is made by and between the City of Richardson, Texas (the "City") and ______ ("Property Owner"), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS,	the Property	Owner is the	e owner	of a	single-family	residential	structure
located at		, Richard	lson, Tex	as (th	e "Residence"	'); and	

WHEREAS, Texas Local Government Code Chapter 380 allows the City to provide incentives for the promotion of economic development; and

WHEREAS, the promotion of the redevelopment of existing housing stock in the City promotes economic development within the City and is essential for the continued economic growth and vitality of the City; and

WHEREAS, it is well established that the availability of quality housing stock encourages the relocation of businesses and attracts new business enterprises, as well as the expansion of existing business enterprises within the City, which in turn stimulates growth, creates jobs and increases property and sales tax revenues; and

WHEREAS, the promotion of the housing stock is a major contributing factor to the growth of the City, which in turns stimulates trade and commerce and reduces unemployment; and

WHEREAS, residential development and redevelopment will attract and encourage business relocation and expansion since business will look to the available housing stock to meet the needs of management and the work force; and

WHEREAS, the City has determined that providing an economic development incentive in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article I Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

Article II Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

"Approved Project" shall mean a project for home improvements, modifications or remodeling of the Residence as approved by the Neighborhood Services Manager as being eligible for an incentive under the Home Improvement Incentive Program.

"City" shall mean the City of Richardson, Texas.

"Commencement of Construction" shall mean that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for the Approved Project; and (ii) all necessary permits for the construction of the Approved Project have been issued by all applicable governmental authorities.

"Completion of Construction" shall mean the date of the City's final inspection of Residence following the construction of the Approved Project.

"Effective Date" shall mean the last date of execution hereof.

"Event of Bankruptcy or Insolvency" shall mean insolvency, appointment of receiver for the Property Owner and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Property Owner and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Expiration Date" shall mean two (2) years from Completion of Construction.

"Home Improvement Program" shall mean the city of Richardson Home Improvement Incentive Program adopted by Ordinance No. 3590, as amended.

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Property Owner or any property or any business owned by Property Owner within the City.

"Incentive" shall mean an economic development incentive in an amount equal to up to ten (10) times the amount of increase in property taxes for the Residence for the first tax year following the Completion of Construction as the result of the increase in the Taxable Value of the Residence, under the Home Improvement Incentive Program as determined by the Neighborhood Services Manager for the Approved Project.

"Residence" shall mean the single-family residential structure, excluding the land, located at ______, Richardson, Texas.

"Property Owner" shall mean the owner of the Residence.

"Taxable Value" shall mean the appraised value of the Residence as certified by the applicable appraisal district, or its successor entity, as of January 1 of a given year.

Article III Economic Development Incentive

- 3.1 **Payment.** Subject to the Property Owner's continued satisfaction of the terms and conditions of this Agreement and the obligation of the Property Owner to repay the Incentive pursuant to Section 5.2 hereof, the City agrees to provide the Incentive to the Property Owner to be paid in a single lump-sum payment on April 1 of the first full calendar year following Completion of Construction. For example, assume that the Approved Project is completed in June 30, 2007 and that the 2008 property taxes for the Residence increased \$300.00 above the 2007 property taxes as a result of the Approved Project. The total Incentive would be \$3,000.00 and would be paid on April 1, 2009.
- 3.2 <u>Current Revenue.</u> The Incentive made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution or other party.

Article IV Incentive Conditions

The City's obligation to pay the Incentive shall be conditioned upon the Property Owner's continued compliance with and satisfaction of the terms and conditions of this Agreement and each of the conditions set forth in this Article.

- 4.1 <u>Inspections.</u> The Property Owner agrees to submit to periodic inspections of the Residence by the City during the period beginning with the date of Commencement of Construction and ending on date of Completion of Construction.
- 4.2 <u>Construction Costs.</u> The construction costs incurred and paid by the Property Owner for the Approved Project shall be at least \$20,000 (the "Certified Costs"). The Property

Owner shall, as a condition precedent to the payment of the Incentive, provide copies of invoices, receipts and other documentation as may be reasonably requested by the City to verify the costs incurred and paid by the Property Owner for construction of the Approved Project.

4.3 <u>Completion of Construction.</u> The Property Owner shall cause Completion of Construction of the Approved Project to occur on or before twenty-four (24) calendar months after the City approval of the Property Owner's proposed project for an Incentive.

Article V Termination

- 5.1 This Agreement shall terminate upon the occurrence of any one of the following:
 - (a) mutual agreement of the parties;
 - (b) the Expiration Date;
 - (c) at the City's option, if any Impositions owed to the City or the State of Texas by Property Owner shall become delinquent (provided, however Property Owner retains the right to timely and properly protest and contest any such Impositions);
 - (d) by the City, in the event Property Owner breaches any of the terms or conditions of this Agreement and such breach is not cured within sixty (60) days after written notice thereof;
 - (e) by City, if the Property Owner suffers an Event of Bankruptcy or Insolvency;
 - (f) by City, if any subsequent Federal or State legislation or any final, nonappealable decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable; or
 - (g) the sale or transfer of the Residence following one assignment of this Agreement as provided herein.
- 5.2 In the event of termination by the City pursuant to 5.1(c), (d), (e), (f) or (g) the Property Owner shall immediately repay to the City an amount equal to Incentive paid to Property Owner, if any, prior to termination of this Agreement.

Article VI Miscellaneous

- 6.1 <u>Assignment.</u> This Agreement may not be assigned without the prior written consent of the City, except that this Agreement may be assigned by the Property Owner one (1) time in connection with the sale or transfer of the ownership (including a life estate) of the Residence to a subsequent owner of the Residence upon thirty (30) days prior written notice to the City. This Agreement shall automatically terminate upon any subsequent sale or transfer of the ownership of the Residence.
- 6.2 <u>Binding Agreement.</u> The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto.

- 6.3 <u>Limitation on Liability.</u> It is understood and agreed between the parties that the Property Owner and/or Property Owner, in satisfying the conditions of this Agreement, have acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions.
- 6.4 **No Joint Venture.** 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.
- 6.5 <u>Authorization.</u> Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.
- 6.6 <u>Notice.</u> Any notice required or permitted to be delivered hereunder shall be deemed received three days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered.

If intended for Property Owner, to:
Richardson, Texas
If intended for City, to:
Attn: City Manager
City of Richardson, Texas
411 W. Arapaho Road
P.O. Box 830309
Richardson, Texas 75083
With a copy to:
Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith

Nichols, Jackson, Dillard, Hager & Smith, L.L.P. 1800 Lincoln Plaza 500 N. Akard Dallas, Texas 75201

6.7 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

- 6.8 **Governing Law.** The Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.
- 6.9 <u>Amendment.</u> This Agreement may only be amended by the mutual written agreement of the parties.
- 6.10 <u>Legal Construction.</u> In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.
 - 6.11 **Recitals.** The recitals to this Agreement are incorporated herein.
- 6.12 <u>Counterparts.</u> This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.
- 6.13 <u>Survival of Covenants.</u> Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

(signature page to follow)

	Executed on this day of	, 2007.
		City of Richardson, Texas
		By:
		Attest:
		By:City Secretary
Appr	roved As To Form:	
By:		
-	Peter G. Smith, City Attorney	_
	Executed on this day of _	
		Property Owner
		By:
		Name: