

**ITEM NO.** \_\_\_\_\_

**Date:** September 28, 2020

**Subject:** Resolution Approving Tax Abatement Agreement with Hughes Commercial

**Comments:** The attached Resolution approves a tax abatement agreement between Navarro County and Hughes Commercial.

Hughes Commercial is considering investing \$19,000,000.00 in a new manufacturing facility for the benefit of Corsicana Bedding LLC in the I-45 Industrial Park.

The City of Corsicana and Navarro College have already approved similar agreements with Hughes Commercial.

**Recommendation:** Approve Resolution approving a Tax Abatement Agreement with Hughes Commercial.

**MOTION:**

**I MOVE TO APPROVE/DENY THE RESOLUTION APPROVING A TAX ABATEMENT AGREEMENT WITH HUGHES COMMERCIAL.**

RESOLUTION NO. 2020-08

**A RESOLUTION OF NAVARRO COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS AND HUGHES COMMERCIAL REAL ESTATE AND DEVELOPMENT LLC, FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT, AND AUTHORIZING EXECUTION BY THE COUNTY JUDGE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Commissioner's Court has been presented a proposed tax abatement agreement between the County of Navarro, Texas and Hughes Commercial Real Estate and Development LLC, providing for a property tax abatement for certain improvements, a copy of which is attached hereto and incorporated herein by reference (hereinafter called "AGREEMENT"); and

**WHEREAS**, upon full review and consideration of the AGREEMENT, and all matters attendant and related thereto, the Commissioner's Court is of the opinion that the terms and conditions thereof should be approved, and that the County Judge shall be authorized to execute it on behalf of the County of Navarro;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONER'S COURT OF THE COUNTY OF NAVARRO, TEXAS:**

**Section 1.** The terms and conditions of the proposed AGREEMENT, having been reviewed by the County of Navarro and found to be acceptable and in the best interest of the County of Navarro and its citizens, are hereby in all things approved.


**Section 2.** The County Judge is hereby authorized to execute the AGREEMENT and all other documents in connection therewith on behalf of the County of Navarro, substantially according to the terms and conditions set forth in the AGREEMENT.

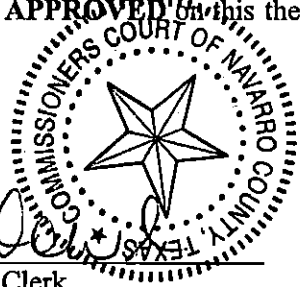
**Section 3.** That this approval and execution of the AGREEMENT on behalf of the County of Navarro is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

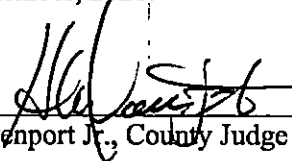
**Section 4.** This Resolution shall become effective from and after its passage.

**PASSED and APPROVED** on this the 28th<sup>th</sup> day of September, 2020.

ATTEST:

  
Sherry Dowd, County Clerk



  
H.M. Davenport Jr., County Judge

STATE OF TEXAS §

COUNTY OF NAVARRO §

**TAX ABATEMENT AGREEMENT**

This Tax Abatement Agreement (the "Agreement") is entered into by and between the County of Navarro, Texas, acting herein by and through its County Judge and hereinafter referred to as COUNTY, and Hughes Commercial, hereinafter referred to as OWNER.

**WITNESSETH:**

**WHEREAS**, on the 14th day of September, 2020, the City Council of CITY passed an Ordinance (the "ORDINANCE") establishing Enterprise Zone/Reinvestment Zone 20-03 (the "REINVESTMENT ZONE") in the CITY for commercial/industrial tax abatement as authorized by Chapter 312, Texas Tax Code; and

**WHEREAS**, the COUNTY has previously adopted a Tax Abatement Policy (the "Tax Abatement POLICY"); and

**WHEREAS**, the Tax Abatement Policy constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by COUNTY as required by Chapter 312, Texas Tax Code; and

**WHEREAS**, COUNTY has adopted a Resolution stating that it elects to be eligible to participate in tax abatement; and

**WHEREAS**, CITY has sent written notice that CITY intends to enter into this AGREEMENT, including a copy of this AGREEMENT, to the presiding officer of the governing body of each other taxing unit in which property to be subject to this AGREEMENT is located, as required by Section 312.2041 of the Texas Tax Code; and

**WHEREAS**, in order to maintain and/or enhance the commercial economic and employment base of Navarro County to the long term interest and benefit of the COUNTY, it is in the best interest of the taxpayers for the COUNTY to enter into this Agreement in accordance with the Ordinance, the Tax Abatement Policy, and the Texas Tax Code; and

**WHEREAS**, OWNER owns the real property described by metes and bounds and by map on Exhibit "A", and Exhibit "B" attached hereto and incorporated herein by reference (the "Property" and intends to make certain Improvements (as defined below) to the Property; and

**WHEREAS**, the contemplated use of the Property, the contemplated Improvements to the Property in the amount as set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Reinvestment Zone in accordance with the purposes for its creation and are in compliance with the Tax Abatement Policy.

**NOW THEREFORE**, in consideration of the mutual benefits and promises contained herein and

for good and other valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto do mutually agree as follows:

**I.  
DEFINITIONS**

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

1.1 “Estimated Tax Value” means the estimated depreciated Tax Net Book Values applicable to the real property improvements and the Tangible Personal Property improvements comprising the Investment described in Paragraph 2.2 below, as scheduled on Exhibit “D” attached hereto and incorporated herein by reference. For reference purposes, the Estimated Tax Values scheduled on Exhibit “D” are determined using the Navarro Central Appraisal District's appraisal guidelines in effect as of the date of this Agreement.

1.2 “Event of Bankruptcy or Insolvency” means the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property 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 such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

1.3 “Force Majeure” means any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot; civil commotion, insurrection, adverse weather, governmental or de facto governmental action (unless caused by acts or omissions of OWNER), fires; explosions or floods, and strikes.

1.4 “In Service Project Cost” means the initial project cost of the Improvements identified and defined below, as of the date such Improvements are first placed into service by OWNER

1.5 “Tangible Personal Property” means tangible personal property classified as such under state law and hereafter located on the Property, but expressly excludes inventory and supplies, and any tangible personal property that was located in the Reinvestment Zone at any time before the date of this Agreement.

1.6 “Taxable Value” means the appraised value as certified by the Navarro County Appraisal District as of January 1 of a given year.

Other terms defined elsewhere in this Agreement shall have the meanings therein ascribed to those terms.

**II.  
OWNER'S OBLIGATIONS**

2.1 The property to be the subject of this Agreement shall be the Property described herein in Exhibits A and B.

2.2 For the purposes of fulfilling this Agreement, the OWNER shall make improvements to the Property and personal property acquisitions as described in Exhibit "C" attached hereto and incorporated herein by reference (collectively the "Improvements"), having a minimum total taxable value of at least \$19,000,000, more specifically defined as a minimum total taxable value of at least \$19,000,000 in real property improvements and in Tangible Personal Property improvements to be added (hereinafter collectively referred to as the "Investment"). On or before January 1, 2022, OWNER shall substantially complete all Improvements and cause an increase in Taxable Value as shown in Exhibit D. On or before January 1, 2023, OWNER shall execute a lease agreement with Corsicana Bedding LLC for the retention of 350 jobs and the creation of 100 new jobs at the Property and OWNER shall cause such lease to remain at the Property throughout the Term of this Agreement. Notwithstanding the foregoing deadlines, OWNER shall have such additional time to satisfy the obligations contained in this Paragraph 2.2 as may reasonably be required in the event of Force Majeure if OWNER is diligently and faithfully pursuing satisfaction of the applicable obligation. The date of substantial completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued by the CITY.

2.3 As good and valuable consideration for this Agreement, OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Improvements in a good and workmanlike manner. OWNER further covenants and agrees that all construction of the Improvements and use of the Property will be in accordance with all applicable State and local laws, codes, and regulations (or valid waiver thereof). In further consideration, OWNER agrees and covenants that it will continuously operate, maintain and occupy the Property as a manufacturing facility from the date of Certificate of Occupancy is issued until expiration of the Term of this Agreement.

2.4 OWNER further agrees that the COUNTY, its agents and employees shall have reasonable right of access to the Property, upon not less than ten (10) days prior written notice, to inspect the Improvements in order to ensure that the construction of the Improvements is in accordance with this Agreement and all applicable State and local laws and regulations (or valid waiver thereof).

2.5 OWNER agrees that it will register all permanent jobs with the Texas Workforce Commission and that all contractors shall be encouraged to seek qualified workers through the Texas Workforce Commission. [Note: this provision is required by Section 8.02(j) of the CITY's Tax Abatement Policy].

**III.  
ABATEMENT OF TAXES**

3.1 Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the COUNTY, a portion of ad valorem real property taxes from the Property, and a portion of taxes for Tangible Personal Property in place at the Property on January 1<sup>st</sup> of each year, that are otherwise owed to the COUNTY, shall be abated. Said ad valorem real property tax abatement/freeze shall be for a ten (10) year term and shall apply to the taxes assessed upon the increased value of the eligible Property, after installation of the real property improvements contemplated by Paragraph 2.2, over the value of the Property in the year in which this Agreement is executed; and said Tangible Personal Property tax abatement shall be for a ten (10) year term and shall apply to the taxes assessed upon the increased value of the eligible Tangible Personal Property Improvements contemplated in Paragraph 2.2,

over the value of in place Tangible Personal Property in the year in which this Agreement is executed; all subject to, and in accordance with, the terms of this Agreement, the Tax Abatement Policy, Chapter 312, Texas Tax Code, and all applicable state and local regulations (or valid waiver thereof). The percentage (%) level of tax abatement for both Real Property Improvements and Tangible Personal Property during the foregoing ten (10) year terms shall be as described below in "Table 3.1, Tax Abatement Schedule."

<b>Table 3.1 Tax Abatement Schedule For Real Property Improvements and Tangible Personal Property Added</b>	
<b>Year of Abatement</b>	<b>Level (%) of Tax Abatement</b>
1	50
2	50
3	50
4	50
5	50
6	50
7	50
8	50
9	50
10	50

The tax abatement for Tangible Personal Property will apply only to the Tangible Personal Property added to the Property after this Agreement is executed. Notwithstanding the foregoing, the OWNER shall have the right to protest and/or contest any assessment of the Property over and above the minimum Investment as required by this Agreement.

3.2 Said abatement(s) shall extend for a period of ten (10) years, as applicable, to the real property and the Tangible Personal Property tax abatement, with each such tax abatement beginning with the tax year on January 1, 2022, and shall remain in effect during the Term of this Agreement as long as the OWNER (a) incurs the minimum Taxable Value as shown in schedule on Exhibit D for the Investment as contemplated under Paragraph 2.2; (b) maintains minimum Taxable Values for the real property improvements and the Tangible Personal Property improvements comprising the Investment each year during the Term of this Agreement at least equal to the Estimated Tax Values for each item as scheduled on Exhibit "D"; (c) execute a lease agreement with Corsicana Bedding LLC for the retention of 350 jobs and the creation of 100 new jobs at the Property and OWNER shall cause such jobs to remain at the Property throughout the Term of this Agreement.; and (d) otherwise satisfies all of the terms, conditions, and obligations of this Agreement.

3.3 It is understood and agreed among the parties that the Property shall be appraised at market value for the purposes of the applicable real and personal property tax assessments effective as of January 1, 2022, and continued at market value until the expiration of the Term of this Agreement.

**IV.**  
**TERM OF THE AGREEMENT**

4.1 The term of this Agreement (the "Term") shall begin on the date of this Agreement and end upon completion of the final abatement year.

4.2 Prior to October 1st of each year during the Term of this Agreement, OWNER shall certify to the governing body of the COUNTY and each taxing unit that OWNER is in compliance with all of the terms and conditions of this Agreement.

**V.**  
**DEFAULT AND RECAPTURE OF ABATED TAX**

5.1 In the event that (a) OWNER fails to incur the minimum In Service Project Cost of at least 19,000,000 dollars for Investment, as contemplated under Paragraph 2.2 and for which an abatement has been granted, or the Improvements otherwise are not completed in accordance with this Agreement; (b) OWNER fails to maintain throughout the Term of this Agreement minimum Taxable Values for the real property Improvements comprising the Investment at least equal to the Estimated Tax Values for each item as scheduled on Exhibit "D"; (c) OWNER fails to maintain the lease agreement with Corsicana Bedding throughout the Term of this Agreement with a minimum of 350 existing full-time equivalent jobs and 100 new jobs, as shown in Exhibit F at the property; (d) OWNER allows its ad valorem taxes owed the COUNTY to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; (e) OWNER has an Event of Bankruptcy or Insolvency (as defined in Paragraph 1.2 ); or (f) OWNER otherwise fails to comply with any of the terms, conditions, or obligations of this Agreement, the OWNER shall be in default of this Agreement.

5.2 In the event of default, COUNTY shall give the OWNER written notice of such default and, if the OWNER has not cured such default within sixty (60) days after said written notice, this Agreement may be terminated by the COUNTY. If the COUNTY terminates this Agreement in the event of default, OWNER shall repay to the COUNTY all taxes which otherwise would have been paid to the COUNTY without the benefit of abatement during the Term of this Agreement, together with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Texas Tax Code (but without the addition of penalty), reasonable attorney's fees, and costs. Such amounts shall be due, owing, and payable to the COUNTY within sixty (60) days after the expiration of the above mentioned 60-day cure period. The parties acknowledge that COUNTY will suffer damages in the event of OWNER's default under this Agreement. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine. OWNER's obligation to pay any amounts hereunder shall survive termination of this Agreement.

5.3 It is expressly acknowledged and agreed between the parties that the COUNTY shall have the right to place a tax lien against the Property pursuant to Section 32.01 of the Texas Tax Code. Such lien shall secure the payment of all taxes abated and subject to recapture under this Agreement, together with all other amounts payable hereunder. Any such lien may be fully enforced pursuant to the provisions of the Texas Tax Code. Also, to collect any amounts payable hereunder, the COUNTY shall have all other remedies provided generally in the Tax Code for the collection of delinquent property tax.

## VI. GENERAL PROVISIONS

6.1 The COUNTY represents and warrants that the Property does not include any property that is owned by a member of the Commissioner's Court of Navarro County approving, or having responsibility for the approval of this Agreement.

6.2 The terms and conditions of the Agreement are binding upon the successors and permitted assigns of all parties hereto. This Agreement may not be assigned by OWNER without the prior written consent of the COUNTY, such consent to be at the sole discretion of the COUNTY; provided, however, that upon written notice to the COUNTY, OWNER may assign its rights under this Agreement to a wholly owned subsidiary of OWNER, subject to OWNER remaining liable for all of its obligations hereunder.

6.3 It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the COUNTY assumes no responsibility or liability in connection therewith to third parties and OWNER agrees to indemnify and hold harmless the COUNTY therefrom. It is further understood and agreed among the parties that the COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability in connection therewith to third parties and the COUNTY agrees to indemnify and hold harmless the OWNER therefrom.

6.4 Notices required to be given to any party to this Agreement shall be given personally or by certified mail, return receipt requested, postage prepaid, addressed to the party at its address set forth below, and given by mail, shall be deemed delivered as of the date personally delivered or three days after deposit in the United States mail:

**For COUNTY by notice to:**

City of Corsicana, Texas  
Attention: City Manager  
Corsicana Government Center  
200 North 12th Street  
Corsicana, Texas 75110

**For OWNER by notice to:**

Craig Hughes  
Managing Principal



Hughes Commercial Real Estate & Development, LLC  
6208 Blane Drive  
Plano, Texas 75024

Any party may change the address to which notices are to be sent by giving the other party written notice in the manner provided in this Section.

6.5 This Agreement constitutes the entire and final expression of the agreement of the parties hereto with respect to the subject matter hereof. This Agreement can be modified or amended only by a written agreement executed by both parties.

6.6 If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

6.7 This Agreement shall be governed by the laws of the State of Texas, without regard to its choice of law rules. This Agreement is performable in Navarro County, Texas. Exclusive venue for any litigation related to, or arising out of, this Agreement shall lie in Navarro County, Texas.

6.8 In this Agreement, time is of the essence.

6.9 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

6.10 This Agreement was authorized by resolution of the Commissioner's Court of Navarro County at its regularly scheduled meeting on the 28<sup>th</sup> day of September, 2020, authorizing the County Judge to execute the Agreement on behalf of the COUNTY.

6.11 This AGREEMENT was entered into by \_\_\_\_\_, pursuant to authority granted by its Directors/Members/Owners on the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2020.

6.12 This AGREEMENT shall constitute a valid and binding agreement between the COUNTY and OWNER when executed in accordance herewith, regardless of whether any other taxing unit executes a similar agreement for tax abatement.

Witness our hands this 28th day of September, 2020.

**APPROVED:**  
NAVARRO COUNTY

By: \_\_\_\_\_  
H.M. Davenport, Jr., County Judge

**ATTEST:**

1.859

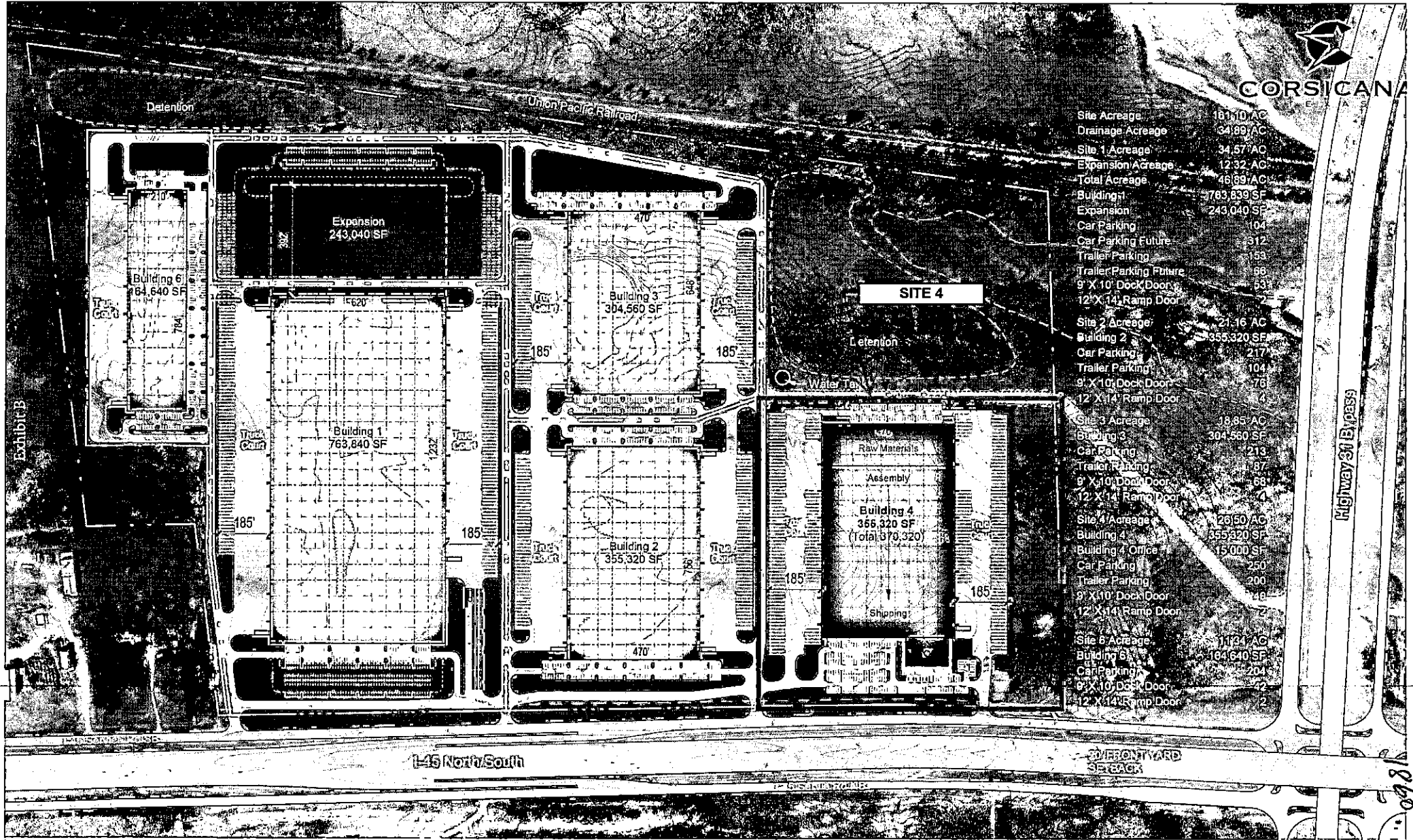
\_\_\_\_\_  
Sherry Dowd, County Clerk

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

Name: Craig Hughes  
Title: Managing Principal

**EXHIBITS ATTACHED:**

- A Survey and Description of Property
- B Overhead Map of Property
- C Application for Tax Abatement
- D Estimated Tax Value Schedule
- E Environmental Impact Letter to City
- F Schedule of Employment



Site Acreage	181.10 AC
Drainage Acreage	34.89 AC
Site 1 Acreage	34.57 AC
Expansion Acreage	12.32 AC
Total Acreage	46.89 AC
Building 1	763,840 SF
Expansion	243,040 SF
Car Parking	104
Car Parking Future	312
Trailer Parking	153
Trailer Parking Future	66
9' X 10' Dock Door	63
12' X 14' Ramp Door	2
Site 2 Acreage	21.16 AC
Building 2	355,320 SF
Car Parking	217
Trailer Parking	104
9' X 10' Dock Door	76
12' X 14' Ramp Door	4
Site 3 Acreage	18.85 AC
Building 3	304,560 SF
Car Parking	213
Trailer Parking	87
9' X 10' Dock Door	68
12' X 14' Ramp Door	4
Site 4 Acreage	26.50 AC
Building 4	355,320 SF
Building 4 Office	15,000 SF
Car Parking	250
Trailer Parking	200
9' X 10' Dock Door	48
12' X 14' Ramp Door	2
Site 6 Acreage	11.73 AC
Building 6	164,640 SF
Car Parking	204
9' X 10' Dock Door	72
12' X 14' Ramp Door	2

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### Exhibit C

## 2018 APPLICATION FOR TAX ABATEMENT

**Instructions:** Please print or type. Submit the completed and signed original copy of the 2014 Application for Tax Abatement with attachments to: The City of Corsicana Economic Development Department, 200 North 12th Street, Corsicana, Texas 75110

1. Date

2. Name of Firm, Partnership or Corporation and mailing address

Please print or type:  
Hughes Commercial Real Estate & Development, LLC  
6208 Blain Drive  
Plano, Texas 75024

2a. Have you received a previous tax abatement from the City of Corsicana?  (YES/ NO)

2b. If yes, when?

3. Number of new full time employees to be added \_\_\_\_\_   
(\*A minimum of 15 new, full-time [e.g. 40 hours/week] jobs are required.)

4. Number of acres of property to be developed \_\_\_\_\_

4a. Plat of property and Development or Site Plan attached? \_\_\_\_\_  (YES/ NO)  
(Official Property Survey with metes and bounds required)

5. Estimated value of existing real property to be developed \_\_\_\_\_

6. Estimated value of real property improvements \_\_\_\_\_   
(A minimum \$500,000.00 investment required, unless otherwise approved by City Council)

7. Estimated value of existing inventory \_\_\_\_\_ \$

8. Estimated value of inventory to be added \_\_\_\_\_ \$

9. Estimated value of existing personal property \_\_\_\_\_

10. Estimated value of taxable personal property improvements \_\_\_\_\_

11. Total estimated value of new taxable investment to be made (Total of Items # 6, 8 & 10)

12. Description of real property improvements to be made:

12. Description of Public Services available for project development and new facilities and / or services required.

Water:	6" Line
Wastewater:	nominal domestic use
Railways:	N/A
Natural Gas:	2" Line
Electricity:	2000 Amp 480V

13. One Year Development Schedule for all improvements.

1st Quarter:	
2nd Quarter:	
3rd Quarter:	Commence Construction 3rd Quarter 2020 - Est completion 3 Q 2021
4th Quarter:	

\* Qualification for pro-rating new employees is determined on a case-by-case basis.

The City of Corsicana Economic Development Department  
200 North 12th Street, Corsicana, Texas 75110

2018 APPLICATION FOR TAX ABATEMENT (Page 2)

14. Expected impact on the Corsicana Independent School District.

Minimal

15. Expected benefit to the local economy.

Retention of 350 jobs plus the creation of 100 new jobs. An additional \$20 Million new manufacturing building.

16. Estimated annual payroll of new employees.

17. Description of product to be manufactured or distributed.

Mattress and other bedding products.

18. Expected productive life of all real property improvements.

19. Identification and quantity of all Pollutants and Emissions:

TYPE		QUANTITY
AIR:	none	
NOISE:	none	
SOLID WASTE:	none	
WASTEWATER:	none	

20. Certification of no materially adverse environmental impact as a result of the improvements and operations

Yes

21. Project in compliance with relevant zoning requirements.

Yes


22. Reasonable proof of financial ability.

Available

23. References from past communities, if applicable.

Available upon request

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.

sign here >  Date: 09/09/2020

Phone: 214-543-3821

Submitted By (Please Print)

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

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

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

Received by the City of Corsicana

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

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

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

**Exhibit D**

Hughes Commercial  
Corsicana, TX

The depreciation schedule below is based upon straight line depreciation methods recommended by Corsicana jurisdiction

**Real Property Improvements**

**Initial Cost      \$19,500,000 *Est. Only***

<u>Year</u>	<u>Cost</u>	<u>Depreciation Rate</u>	<u>Current Year Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Tax Net Book Value</u>
2021	\$19,500,000	2.57%	\$500,175	\$500,175	\$18,999,825
2022	\$19,500,000	2.57%	\$500,175	\$1,000,350	\$18,499,650
2023	\$19,500,000	2.57%	\$500,175	\$1,500,525	\$17,999,475
2024	\$19,500,000	2.57%	\$500,175	\$2,000,700	\$17,499,300
2025	\$19,500,000	2.57%	\$500,175	\$2,500,875	\$16,999,125
2026	\$19,500,000	2.57%	\$500,175	\$3,001,050	\$16,498,950
2027	\$19,500,000	2.57%	\$500,175	\$3,501,225	\$15,998,775
2028	\$19,500,000	2.57%	\$500,175	\$4,001,400	\$15,498,600
2029	\$19,500,000	2.57%	\$500,175	\$4,501,575	\$14,998,425
2030	\$19,500,000	2.57%	\$500,175	\$5,001,750	\$14,498,250

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Exhibit E



Craig Hughes  
Licensed Real Estate Broker  
6208 Blain Drive  
Plano, Texas 75024  
(214) 543-3821 Tel

July 17, 2020

Ms. Connie Standridge  
City Manager  
City of Corsicana, Texas  
200 N 12<sup>th</sup> Street  
Corsicana, Texas 75110

RE: **CORSICANA MATTRESS COMPANY**  
**Proposed 370,320 SF Build to Suit Facility**  
**Corsicana I-45 Industrial Park**

Dear Connie:

The purpose of this correspondence is to provide assurances that the planned \$19,000,000 new manufacturing facility for Corsicana Mattress Company in the Corsicana I45 Industrial Park, Corsicana, Texas location will have no unacceptable environmental impact according to the Environmental Protection Agency (EPA, Texas Commission on Environmental Quality (TCEQ), and the City of Corsicana, Texas codes, guidelines and environmental regulations.

Should you have any questions or comments please contact me or anyone on our Team.

Sincerely,

**HUGHES COMMERCIAL**  
**REAL ESTATE AND DEVELOPMENT, LLC**

Craig Hughes  
Managing Principal  
214-543-3821

C: Brian McMackin, Managing Principal – Pinchal & Company  
Robbie Ruminer, Principal – HRH Community Partners, LLC  
Steven Hattier, Principal – HRH Community Partners, LLC  
John Boswell, Economic Development Director – City of Corsicana, Texas  
Honorable Don Denbow, Mayor – City of Corsicana, Texas

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Exhibit F Employment Schedule		
		Total
Retained (Current Corsicana headcount)	350	350
Dallas	35	385
Year 1	0	385
Year 2	35	420
Year 3	10	430
Year 4	15	445
Year 5	13	458
Year 6	14	472
Year 7	13	485
Year 8	0	485
Year 9	0	485
Year 10	0	485
Total		485