

RESOLUTION NO. 2023.04

A RESOLUTION OF THE COUNTY OF NAVARRO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS AND GOVERNOR'S VIEW PROPERTIES LLC FOR A PROPERTY TAX ABATEMENT IN THE CORSICANA DOWNTOWN REVITALIZATION DISTRICT, AND AUTHORIZING ITS EXECUTION BY THE COUNTY JUDGE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Commissioners Court has been presented a proposed tax abatement agreement between the County of Navarro, Texas and Governor's View Properties 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 County Commissioners 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 COMMISSIONERS COURT OF THE COUNTY OF NAVARRO, TEXAS:

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

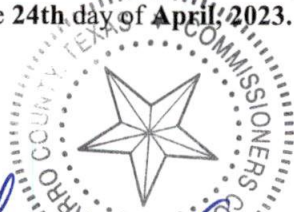
Section 2. The County Judge is hereby authorized to execute the AGREEMENT and all other documents in connection therewith on behalf of the County of Navarro, substantially according to the terms and conditions set forth in the AGREEMENT.

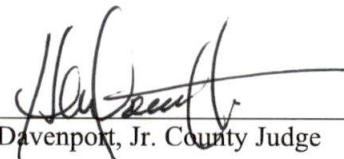
Section 3. That this approval and execution of the AGREEMENT on behalf of the County of Navarro is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

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

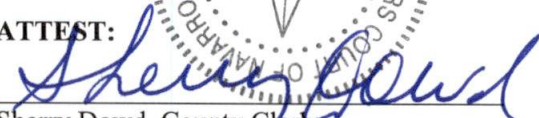
Section 5. This Resolution shall become effective for the property at 213 E. 4th Avenue.

PASSED and APPROVED by majority vote of the Commissioners Court of Navarro County, Texas, on the 24th day of April, 2023.





H.M. Davenport, Jr. County Judge

ATTEST:


Sherry Dowd, County Clerk

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, a political subdivision of the State of Texas, acting herein by and through its County Judge and hereinafter referred to as COUNTY, and GOVERNOR'S VIEW PROPERTIES, LLC hereinafter referred to as OWNER.

WITNESSETH:

WHEREAS, on the 11th day of February, 2019, the City Council of CITY passed an Ordinance creating and designating the Corsicana Downtown Revitalization District (the "Reinvestment Zone") for commercial 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 a Historic Downtown Tax Abatement Program; and

WHEREAS, the Historic Downtown Tax Abatement Program 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 the Corsicana area to the long term interest and benefit of the COUNTY, the COUNTY has determined that the contemplated use of the PROPERTY, as hereinafter defined, 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 said Reinvestment Zone in accordance with the purposes for its creation and are in compliance with COUNTY'S Historic Downtown Tax Abatement Program;

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. For reference purposes, the Estimated Tax Values scheduled on 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 specific property to be the subject of this Agreement shall be the Real Property, including land and improvements, located at 213 E. 4th Avenue in Corsicana, described as, Property ID No. 35044, and by map attached hereto as EXHIBIT A and made a part hereof, and shall be herein referred to as the PROPERTY.

2.2 For the purposes of fulfilling this Agreement, the OWNER shall make improvements to the real property as described in Exhibit "C" attached hereto and incorporated herein by reference (collectively the "Improvements"), having a total In Service Project Cost of at least \$200,000. On or before December 31, 2023, OWNER shall substantially complete all Improvements. 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 he 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).

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). After completion of the Improvements, the COUNTY shall have the continuing right to inspect the Property, upon not less than ten (10) days prior written notice, to ensure that it is thereafter maintained in accordance with this Agreement throughout the Term of this Agreement. In addition, the OWNER agrees that appraisal district representatives shall have reasonable right of access to the Property, upon not less than ten (10) days prior written notice, for the purpose of ad valorem property tax appraisal for all real property and improvements to real property.

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 that are otherwise owed to the COUNTY, shall be frozen at the appraised value of the Property on December 31, 2023. Said ad valorem real property tax abatement/freeze shall be for a five (5) year term, beginning in tax year 2023, 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; 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).

3.2 It is understood and agreed among the parties that the Property shall be appraised at market value for the purposes of the applicable real property tax assessments effective as of December 31, 2023, and continued at market value until the expiration of the Term of this Agreement.

3.3 It is understood and agreed among the parties that, at the end of the Abatement term, the real property must remain on the tax rolls at the full appraised value for a minimum of ten (10) years before the property is eligible for tax abatement again.

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 December 1st of each year during the Term of this Agreement, OWNER shall certify to the governing body of the COUNTY, on behalf of 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 an amount that, at a minimum, is equal to 20 percent of the most recent valuation of the property, or \$200,000, whichever is less; (b) 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; (c) OWNER has an Event of Bankruptcy or Insolvency (as defined in Paragraph 1.2); or (d) OWNER otherwise fails to comply with any of the terms, conditions, or obligations of this Agreement, then this Agreement shall be in default.

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 Commissioners Court 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:
Governor's View Properties, LLC
P.O. Box 507
Corsicana, Texas 75151

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 County Commissioners at its regularly scheduled meeting on the 24th day of April, 2023, authorizing the County Judge to execute the Agreement on behalf of the COUNTY.

6.11 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 24th day of April, 2023.

APPROVED:

COUNTY OF NAVARRO

By: _____

H.M. Davenport, Jr., County Judge

ATTEST:

Sherry Dowd
Sherry Dowd, County Clerk

GOVERNOR'S VIEW PROPERTIES LLC

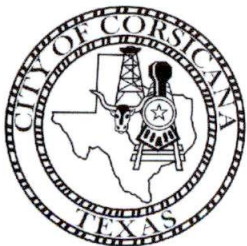
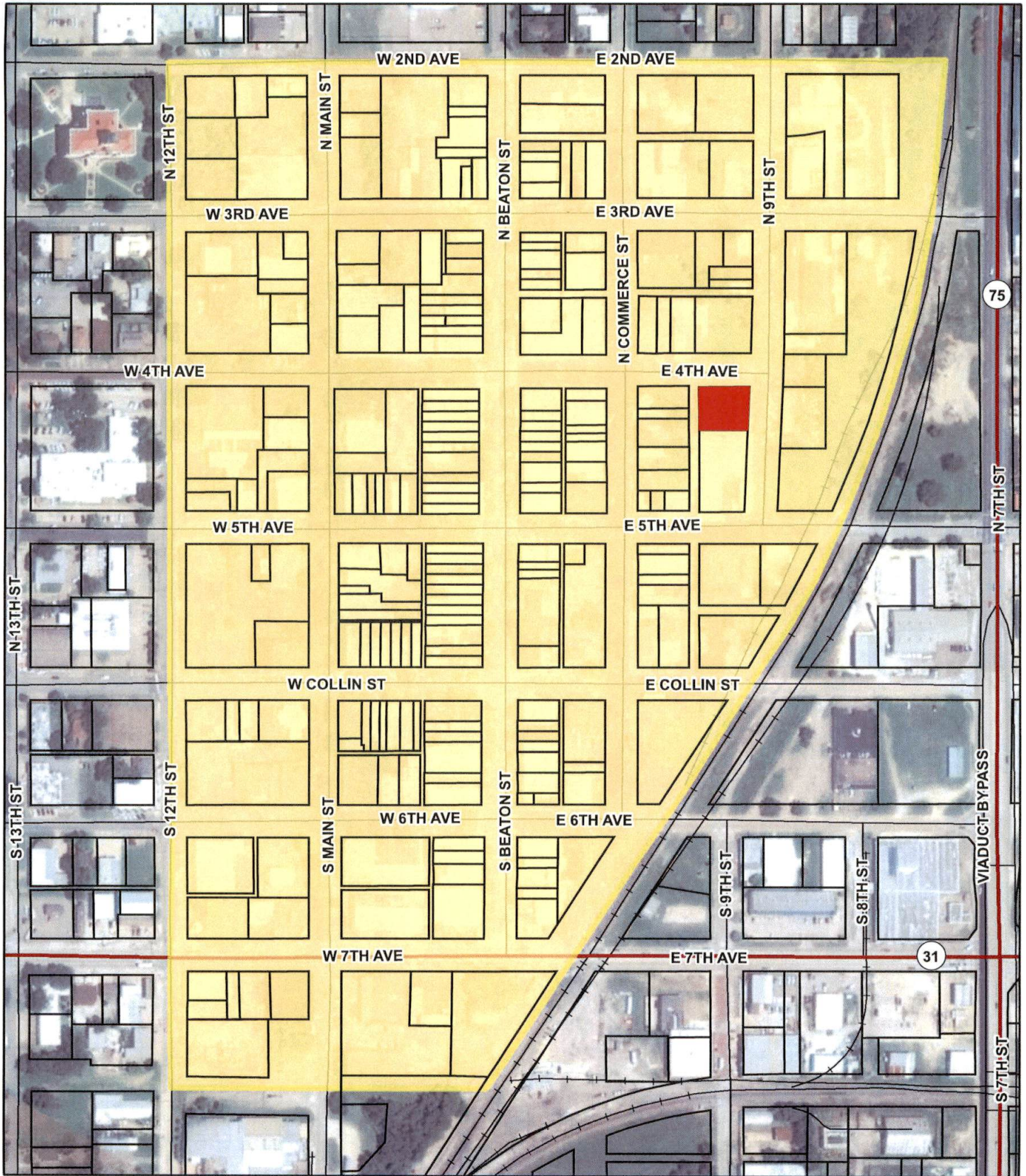
By: _____

Lowell Dunn, Managing Member

EXHIBITS ATTACHED:

- A. Diagram Map of CDRD Showing Property Location
- B. Application for Tax Abatement
- C. Description of Improvement Cost

Exhibit A



213 E 4th Ave
Property ID: 35044



Exhibit B

APPLICATION FOR TAX ABATEMENT CORSICANA DOWNTOWN REVITALIZATION DISTRICT

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

1. Date of Application: 2-1-2023

2. Name of Individual, Firm, Partnership or Corporation and mailing address 2a. Have you received a previous tax abatement from the City of Corsicana? No (YES/ NO)

GOVERNOR'S VIEW PROPERTIES, LLC
P.O. Box 507
Corsicana, TX 75151

2b. If yes, when?

3. Property Address: 213 E. 4th AVE., CORSICANA

4. Navarro Central Appraisal District Property Tax ID 35044

5. Preferred Telephone Number 903-641-9501 5a. Email lowell@duvalawtx.com

6. Year Originally Built 1940 6a. Tax Value Before Renovation \$ 78,000
(Please attach Tax Receipt from County Tax Assessor)

7. Will work be done to exterior façade or windows that would require a Certificate of Appropriateness (COA) approved by Landmark Commission? Yes
(If yes, please attach approved COA)

8. Estimated value of real property improvements \$ 200,000-

9. Description of real property improvements to be made (attach additional sheet if necessary):

Replace windows/door when they were originally,
complete full interior renovation to make usable for offices

10. Estimated Construction Start Date: 2-15-23

11. I certify that this property is located within the boundaries of the Downtown Main Street Commercial District, that all taxes due on this property have been paid, and that, for exterior modifications to the property, a Certificate of Appropriateness (COA) will be submitted to the Historic Preservation Officer for review by the Corsicana Landmark Commission and that work will not commence until the COA is approved.

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 >

Phone: 903-641-9501

Date: 2-1-23

Submitted By <small>(Please Print)</small>	
Name:	
Title:	
Date:	

Received by the City of Corsicana	
Name:	
Title:	
Date:	

For assistance in completing this form, call the City of Corsicana, Texas - 903.654.4806. An Equal Opportunity Employer

FOR INTERNAL USE ONLY:

DATE	ENTITY	Initials
	Main Street Manager	
	Planning & Zoning	
	Landmark Commission	
	Economic Development	

DATE	ENTITY	Initials
	Fire Marshall	
	City Manager	
	City Council	
	Commissioner's Court	

The City of Corsicana Downtown Economic Development
301 S Beaton Street, Corsicana, Texas 75110

EXHIBIT C
IMPROVEMENTS

Replace windows and doors where they were originally. Complete a full interior renovation to make useful for offices.

ITEM NO.

Date: April 24, 2023

Subject: Corsicana Downtown Revitalization District (CDRD) 5-Year Tax Freeze for 213 E. 4th Avenue, Governor's View LLC

Comments: This is a resolution approving a 5-Year tax freeze for the property owner investing a substantial sum in renovating property located within the Corsicana Downtown Revitalization District:

- 213 E. 4th Avenue (Property ID 35044)

The applicant has followed established guidelines, and the project has been deemed eligible for this incentive.

City of Corsicana Ordinance No. 2785 provides that, following approval by the City Council, the increase in the appraised value of the structural alterations or new construction completed shall not be added to the tax roll for a period of five (5) years.

At the conclusion of that five-year period, the subject property must remain on the tax rolls at 100% value for a minimum of 10 years before that property is eligible for another 5-year tax freeze.

Recommendation: Approve application for Historic Downtown District Tax Freeze for 213 E. 4th Avenue

MOTION:

I MOVE TO APPROVE/DENY THE APPLICATION FOR A HISTORIC DOWNTOWN DISTRICT TAX FREEZE FOR 213 E. 4TH AVENUE.