

ITEM NO.

14

Date: March 25, 2024

Subject: TIF Reinvestment Zone Participation Agreement

Comments: Attached is a Resolution approving the County's participation in Tax Increment Financing Reinvestment Zone No. 3 (TIF Zone 3), City of Corsicana, located in the southwest quadrant of 7th Avenue (State Highway 31 West) and 45th Street in Corsicana.

TIF No. 3 shall be for 20 years or until all the TIF funds are collected, whichever comes first. The City will enter into a separate Development Participation Agreement with Navarro College.

Recommendation: Approve the ordinance creating TIF Reinvestment Zone No. 3, City of Corsicana.

MOTION:

I MOVE TO APPROVE/DENY THE RESOLUTION PARTICIPATING IN THE TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER 3.

RESOLUTION NO.

**A RESOLUTION APPROVING NAVARRO COUNTY PARTICIPATION IN
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER 3,
CITY OF CORSICANA**

WHEREAS, the Navarro County Commissioners Court and the City Council of the City of Corsicana, Texas, (the "City") desire to promote the development of a certain contiguous geographic area within their jurisdiction by the creation of a Tax Increment Financing Reinvestment Zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"); and

WHEREAS, Tax Increment Financing Reinvestment Zone No. 3, City of Corsicana, was created by the City Council of the City of Corsicana on March 11, 2024 in accordance with the Act; and

WHEREAS, CH Corsi Retail LLC has agreed to develop property within the TIF zone in accordance with the Development Agreement between the City of Corsicana and CH Corsi Retail LLC; and

WHEREAS, all improvements will be performed in accordance with City Code, and paid for CH Corsi LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE NAVARRO COUNTY COMMISSIONERS COURT:

Section 1. The terms and conditions of the proposed AGREEMENT, having been reviewed by the Navarro County Commissioners Court 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 Navarro County, 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 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 25th day of March, 2024.



[Handwritten signature]

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H.M. Davenport Jr., Judge
Navarro County

**CITY OF CORSICANA
AND
NAVARRO COUNTY**

**AGREEMENT TO PARTICIPATE
IN THE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 3**

THIS AGREEMENT is made and entered into by and between the City of Corsicana, Texas (“CITY”), a municipal corporation, and Navarro County, Texas (“COUNTY”).

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Tax Code, Chapter 311 (the “ACT”), and after due notice to Navarro County and other taxing units levying real property taxes in the area, the City Council of Corsicana, pursuant to Ordinance No. 3164 (the “ORDINANCE”), adopted on March 11, 2024, created, established and designated “Tax Increment Financing Reinvestment Zone Number 3, City of Corsicana” under the ACT; and

WHEREAS, the ACT provides that each taxing unit levying taxes on real property in a Tax Increment Financing Reinvestment Zone is not required to pay into the tax increment fund any of its tax increment produced from property located in the Tax Increment Financing Zone unless such taxing unit enters into an agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax increment agreement under the ACT may be entered into any time before or after the zone is created, and such agreement may include any conditions for payment of the tax increment into the fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which that tax increment is to be paid into the tax increment fund.

NOW, THEREFORE, the CITY and COUNTY, in consideration of the terms, conditions and covenants contained herein, hereby agree as follows:

Section 1. COUNTY hereby agrees to assign and dedicate fifty (90) percent of the tax increment (GNV & R&B) levied and collected against the captured appraised value of real property as determined in Section 311.012 of the ACT, in said “Tax Increment Financing Reinvestment Zone Number 3, City of Corsicana” subject to the following terms and conditions:

- a. **Boundary:** The boundaries of the Tax Increment Financing Reinvestment Zone are and shall be those boundaries described in the Ordinance, or an amendment thereto revising the boundary, duly approved by the Tax Increment Financing Reinvestment Zone Board of Directors and the City Council of the CITY.
- b. **Purpose and Program:** Within the boundaries of the Tax Increment Financing Reinvestment Zone, developments are to be constructed as nearly as possible in conformity with the project plan and the financing plan prepared by the CITY and referred to the Board of Directors of the Tax Increment Financing Reinvestment Zone for final review and adoption. Any changes to the projects are to be incorporated in the project plan only with

the approving vote of the Board of Directors of the Tax Increment Financing Reinvestment Zone and the City Council of the CITY.

- c. Appraised Value: The land within the boundaries of the Tax Increment Financing Reinvestment Zone is to be appraised as of January 1, 2024 for ad valorem tax purposes and for establishing the tax increment base referenced in Section 311.012 of the ACT.
- d. Bond Limit: No bonded indebtedness is anticipated at this time.
- e. Repayment: All amounts paid into the tax increment fund shall be used solely to repay direct costs properly chargeable under the ACT and generally accepted accounting principles to the administration of the Tax Increment Financing Reinvestment Zone.
- f. Reimbursement of Costs: Costs incurred by the COUNTY and the CITY in the creation of the District and in the organization and operation of the Board of Directors of the Tax Increment Financing Reinvestment Zone may be reimbursed from the Tax Increment Fund.

Section 2. As inducement to the COUNTY to enter into this Agreement, the CITY agrees that no tax increment bonds of the Tax Increment Financing Reinvestment Zone will be issued to finance project costs of the Project. Furthermore, the CITY has furnished documentation, evidence and assurances necessary to the Board of Directors of the Tax Increment Financing Reinvestment Zone to the effect that funds necessary to support repayment of public infrastructure costs described in Project Plan will be available from revenues derived from the Tax Increment Financing Reinvestment Zone.

Section 3. The term of this AGREEMENT, unless extended by mutual agreement of the COUNTY and the CITY, shall be for twenty (20) years from the date the Tax Increment Financing Reinvestment Zone was created in accordance with Section 2, or until all cash expended or bonds issued for the Tax Increment Financing Reinvestment Zone under Section 311.015 of the ACT, or refunding bonds issued to refinance such bonds issued under Section 311.015 of the ACT, have been fully paid and discharged, whichever event shall be the latest to occur.

Section 4. The CITY hereby agrees to exempt the COUNTY from any liability associated with the actions of the CITY's officers, agents, employees or separate contractors.

Section 5. This AGREEMENT shall be administered by the Mayor of the City of Corsicana, or his or her designees.

Section 6. Whenever this AGREEMENT requires or permits any consent, approval, notice, request, proposal or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below:

If intended for City of Corsicana, to:

Michael Fletcher, Mayor
and/or currently elected Mayor
City of Corsicana
200 North 12th Street
Corsicana, TX 75110

If intended for Navarro County:

H.M. Davenport, Jr., County Judge
and/or currently elected Judge
Navarro County
300 West 3rd Avenue
Corsicana, TX 75110

Or to such other addresses as the parties may request, in writing, from time to time.

Section 7. This Agreement is made subject to the provisions of the charter and ordinances of the CITY, as amended; Texas constitution, codes and statutes; and all other applicable state and federal laws, regulations and requirements, as amended. Venue shall be exclusively in Navarro County, Texas.


Section 8. This Agreement embodies the complete understanding of CITY and COUNTY superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by CITY or COUNTY. Any alterations, additions or deletions to the terms of this Agreement required by changes in federal, state or local law or regulations will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law or regulation.

EXECUTED this, the 25th day of March, 2024, by the CITY, signing by and through its Mayor, duly authorized by Resolution No. 3164 approved on March 11, 2024, and by Navarro County through its duly authorized official by Resolution _____ dated March 25, 2024.

CITY OF CORSICANA

NAVARRO COUNTY

Michael Fletcher
Mayor



H.M. Davenport, Jr.
County Judge