

City of Celina and Collin County

Agreement to Participate

in

Reinvestment Zone Number Eleven, City of Celina, Texas

THIS City of Celina and Collin County Agreement to Participate in Reinvestment Zone Number Eleven, City of Celina, Texas (this “Agreement”) is made and entered into by and between the City of Celina, Texas, a municipal corporation (the “City”), and Collin County, Texas (the “County”) under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the “Act”), and after due notice to the Collin County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 2017-136 (the “Zone Ordinance”) adopted on December 12, 2017, created, established, and designated Reinvestment Zone Number Eleven, City of Celina, Texas (the “Reinvestment Zone”) under the Act; and

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

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

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

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the “TIRZ Fund”) over the term of the Reinvestment Zone the County’s tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals fifty percent (50%) of the County’s ad valorem tax rate (the “County Increment”) subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the “Board”) and approved by the City Council of the City.
- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall be developed as nearly as possible in conformity with the project plan and according to a clear public purpose.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone taxable by the County for a year is the total taxable value of the property for that year less the tax increment base of the property. Although the tax increment base of the property in the Reinvestment Zone, which was created on December 17, 2017, is the total taxable value of the property as of January 1, 2017, the parties agree that the tax increment base of the property to be used for purposes of calculating the captured appraised value each year is the total taxable value of the property as of January 1, 2019, with 2019 being the year this Agreement was entered. The actual captured appraised value of the property in the Reinvestment Zone will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bonds: There is currently no bonded indebtedness issued by the City and secured by the TIRZ Fund. The determination of whether to issue bonds in the future will be decided by the City.
- e. Use of the County Increment: All increment contributed by the County into the TIRZ Fund shall be utilized by the City and Reinvestment Zone only to pay for street and drainage projects that are included as “Project Costs” as defined in, and in accordance with, the Final Project Plan.

- f. TIRZ Board of Directors: The County shall appoint one member to the Board of Directors for the Reinvestment Zone who shall meet the eligibility requirements of the Act and the Zone Ordinance, as such exist or may be amended. The County-appointed director position shall have a term of 2 years starting on January 1 of each odd-numbered year. The County-appointed director shall serve at the will of the County and may be removed at any time. Anyone appointed mid-term shall serve for the remained of the term.

Section 2.

a. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing fifty percent (50%) of the County Increment to the City to be deposited into the TIRZ Fund to pay for street and drainage projects that are included as Project Costs. Payment by the County of the County Increment shall be made from actual property tax revenue received and due to the City within sixty (60) days of County's receipt thereof and the City shall immediately deposit the payment into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property ad valorem taxes collected by the County from properties within the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381 Economic Development Agreements") without the consent of the City.

- b. The County shall have the right to annually audit the records of the Reinvestment Zone.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a

depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund.

Section 5. 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 (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Celina
142 North Ohio Street
Celina, TX 75020

If intended for the County, to:

County Judge
Collin County
Collin County Administration Building
2300 Bloomdale Rd. #4192
McKinney, TX 75071

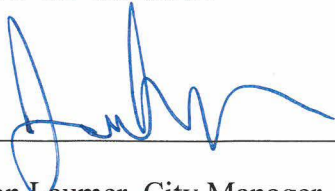
Section 6. Venue shall be exclusively in Collin County, Texas.

Section 7. This Agreement embodies the complete understanding of City and the 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 and the County. Any amendments to this Agreement required by changes in state or federal law will be automatically incorporated into this Agreement without written amendment and shall become effective on the date designated by such law.

EXECUTED this ____ day of _____, 2019, by the City signing by and through the City Manager as its duly authorized official; and

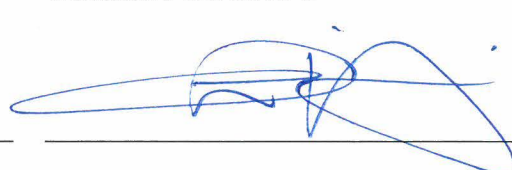
EXECUTED this 18 day of Nov, 2019, by Collin County signing by and through the County Judge as its duly authorized official.

CITY OF CELINA



Jason Laumer, City Manager

COLLIN COUNTY



Chris Hill, County Judge