

**Inter-Local Cooperation Agreement for Participation in
Fairview TIF District**

STATE OF TEXAS §
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COUNTY OF COLLIN §

This Inter-Local Cooperation Agreement for Participation in Town of Fairview TIF District ("Agreement") is made by and between the Town of Fairview, Texas (the "Town") and Collin County, Texas (the "County"), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, on the 1st day of December, 2015, the Fairview Town Council approved Ordinance No. 2015-33 establishing Town of Fairview Tax Increment Financing (TIF) District in accordance with the Tax Increment Financing Act, as V.T.C.A., Tax Code, Chapter 311, (the "Act"), to promote development and redevelopment through the use of tax increment financing and designating the TIF District pursuant to the Act; and

WHEREAS, the Town Council of TIF District approved the final Project and Financing Plan on December 1, 2015; and

WHEREAS, the Town, by Ordinance No. 2015-33, contributes seventy five and 00/100 percent (75.00%) of the M&O Tax Increment for a period of forty (40) years to the Tax Increment Fund (hereinafter defined) for design, installation, and construction of Infrastructure (hereinafter defined) and other authorized projects for or within the TIF District; and

WHEREAS, the County intends to contribute fifty percent (50%) of the M&O Tax Increment for a period of thirty-nine (39) years to the Tax Increment Fund for Project Specific Categories (hereinafter defined); and

WHEREAS, the County has conducted a public hearing at which interested persons were entitled to speak and present written materials for or against the approval of the County's participation as required in the Texas Tax Code Section 311.003; and

WHEREAS, the Collin County Commissioners Court finds that the terms of the proposed participation as set forth in this Agreement will meet the Collin County Policy for participation in Tax Increment Financing Districts and that: (i) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base; and (ii) participation will not substantially adversely affect the County's ability to carry out its long range development plans; and

WHEREAS, the Act authorizes the expenditure of funds derived within a tax increment financing reinvestment zone for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality establishing a

district listed in the project plan of the district, which expenditures and monetary obligations constitute project costs as defined by the Act.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the parties agree as follows:

Article I Definitions

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

"Act" shall mean the Tax Increment Financing Act, Chapter 311, Tax Code, as amended.

"Board" shall mean the Board of Directors of the TIF District.

"Captured Appraised Value" shall mean the total taxable value of all real property taxable by a Taxing Unit and located in TIF District for the year less the Tax Increment Base of the Taxing Unit.

"Town" shall mean the Town of Fairview, Collin County, Texas.

"County" shall mean Collin County, Texas.

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

"Expiration Date" shall mean the date of termination of TIF District.

"Infrastructure" shall mean public infrastructure consisting of public streets and roads, water, sewer and electric utilities, gas utilities, drainage, trails, open space and related improvements, within TIF District, including: (1) the design, engineering and construction of public streets, roads, streetscape, traffic signals, bridges, parking facilities and other transportation projects; (2) the design, engineering, construction and installation of water, electric and gas and other utilities; (3) the design, engineering, construction and installation of drainage and related improvements, storm sewers, detention ponds, retention ponds, drainage pipes, culverts, over-sizing of facilities, trails, open space, and urban design elements within TIF District as identified in the Project Plan.

"Maximum Reimbursement Amount" shall mean an amount of no more than Fifteen Million Seven Hundred Nine Thousand Three Hundred Dollars (\$15,709,300.00) of the County's Tax Increment which shall be deposited in the Tax Increment Fund during the term of TIF District and used for Project Specific Categories and financing costs eligible for County participation as shown in the Project Plan and as more specifically described in Exhibit "A".

"Project Plan" shall mean the preliminary project plan and financing plan for TIF District approved by the Town Council for the Town on December 1, 2015, as amended.

"Project Specific Categories" shall mean Infrastructure elements identified in the Project Plan and as further described in Exhibit "A", towards which the County agrees to contribute its Tax Increment.

"Tax Increment" shall mean the total amount of property taxes by a Taxing Unit for the year on the Captured Appraised Value of real property taxable by a Taxing Unit and located in TIF District.

"Tax Increment Base" shall mean the total taxable value of all real property taxable by a Taxing Unit and located in the TIF District for the year in which TIF District was designated (2016).

"Tax Increment Fund" shall mean the funds deposited by the Town and any Taxing Unit in the tax increment fund for TIF District.

"Taxing Unit" shall mean the Town of Fairview, Collin County, Texas and any Taxing Unit that taxes real property within TIF District that enters into an agreement with the Town to contribute to the Tax Increment Fund.

"TIF District" shall mean the Town of Fairview Tax Increment Financing District One.

Article II

Term

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

Article III

TIF Projects

3.1 In consideration of the mutual benefits to be derived from the funding of the TIF District Improvements and in consideration of the increased future tax base generated from this development, County shall contribute an amount equal to fifty percent (50%) of its M&O Tax Increment to the Tax Increment Fund pursuant to the Act and as authorized by the Collin County Commissioners' Court Order No. 2016-949-12-12 dated December 12, 2016, 2016 not to exceed the Maximum Reimbursement Amount. The County shall annually pay its Tax Increment to the Tax Increment Fund beginning with tax year 2017 and continue during the term of TIF District until the Expiration Date, unless sooner terminated as provided herein.

3.2 The County is not obligated to pay the County Tax Increment from any source other than taxes collected on the Captured Appraised Value. Furthermore, the County has no

duty or obligation to pay the County Tax Increment from any other County taxes or revenues or until the County Tax Increment in the TIF District is actually collected. The obligation to pay the County Tax Increment accrues as taxes representing the County Tax Increment are collected by the County, and payment shall be due on May 1 of each year the County participates in the TIF District. No interest or penalty will be charged to the County for any late payment received from the County; provided, however, the penalty and interest received by the County on any delinquent taxes from the County Tax Increment shall be paid to the Tax Increment Fund. Any portion of the taxes representing the County Tax Increment that are paid to the County and subsequently refunded pursuant to a provision of the Texas Tax Code, as amended, shall be offset against future payments to the Tax Increment Fund.

3.3 The obligation of the County to participate in the TIF District is limited to the area described in the Project Plan. The County's participation does not extend to the tax increment on any additional property added to the TIF District unless the County specifically agrees to participate in the additional area.

3.4 Notwithstanding anything to the contrary in Town's Ordinance creating the TIF District, pursuant to the provisions of Section 311.009(a) of the Texas Tax Code, as amended, the County shall have the right to appoint and thereafter at all times maintain one (1) member on the Board of Directors of the TIF District. Failure of the County to appoint a person to the Board of Directors of the TIF District shall not be deemed a waiver of the County's right to make an appointment at a later date. The County will make good faith efforts to appoint and maintain a person to serve on the Board.

3.5 The Town agrees to provide the County with any proposed amendments to the Project Plan at least fourteen (14) days prior to their submission to the Town Council for approval.

3.6 Upon termination of the TIF District, and after all obligations of the TIF District have been paid, the Town and the Board shall pay to the County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment paid by the County into the Tax Increment Fund.

3.7 The County's Tax Increment contributed to the Tax Increment Fund shall be applied in the following order of priority: (i) maintenance of a minimum balance of \$50,000 in the Tax Increment Fund; and (ii) for Infrastructure and financing costs as approved by the Board and the Town Council for the Town. The Tax Increment Fund may not be used for projects not included in the Project Plan or an Amended Project Plan, approved by the TIF Board. The County's tax increment may only be used for Infrastructure costs shown in the Project Specific Categories listed under the heading titled Collin County Participation as shown in "Exhibit A".

3.8 No portion of the Tax Increment contributed to the TIF District by the County may be paid to the Town for administrative fees.

Article IV Termination

- 4.1 This Agreement shall terminate upon any one of the following:
- (a) by written agreement of the parties;
 - (b) upon the Expiration Date;
 - (c) by either party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;
 - (d) upon County contribution of the Maximum Reimbursement Amount to the Tax Increment Fund

Article V Miscellaneous

5.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may not be assigned without the consent of either party.

5.2 Authorization. Each party represents that it has full authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

5.3 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) 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 when sent by courier or otherwise hand delivered.

If intended for Town, to:

Attn: Julie Couch
Town Manager
Town of Fairview
372 Town Place
Fairview, Texas
75069

With copy to:

Clark McCoy
Wolfe, Tidwell and
McCoy
2591 Dallas Parkway
Suite 300
Frisco, Texas 75034

If intended for County, to:

Judge Keith Self
Collin County Administration Building
Suite 4192
2300 Bloomdale Road
McKinney, Texas 75071

5.4 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.

5.5 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 Collin County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said Court.

5.6 Amendment. This Agreement may be amended by the mutual written agreement of the parties.

5.7 Legal Construction. 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 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.

5.8 Recitals. The recitals to this Agreement are incorporated herein.

5.9 Counterpart. This Agreement may be executed in counterpart. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

5.10 Survival of Covenants. 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.

5.11 Approval of Parties. Whenever this Agreement requires or permits the approval or consent to be given by a party, the parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed.

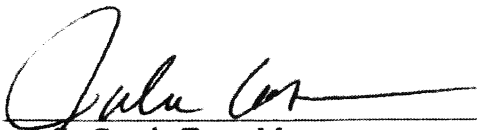
5.12 Further Assurances. Each party hereby agrees that it will take all actions and execute all documents necessary to fully carry out the purposes and intent of this Agreement.

5.13 Audits. The County may, at its costs, upon ten (10) days prior written notice to the Town, examine and audit the Town records pertaining to the collection and expenditure of County Tax Increment contributed to the Tax Increment Fund.

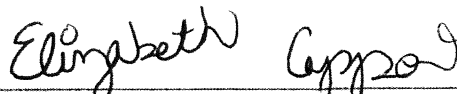
**Signature Page To
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EXECUTED on this 18th day of January, 2017.

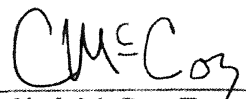
TOWN OF FAIRVIEW, TEXAS

By: 
Julie Couch, Town Manager

ATTEST:

By: 
Elizabeth Cappon, Town Secretary

APPROVED AS TO FORM:

By: 
Clark McCoy, Town Attorney

EXECUTED on this 24th day of January, 2017.

COLLIN COUNTY, TEXAS

By: 
Honorable Keith Self, County Judge

Exhibit "A"

Town of Fairview and Collin County

Project Specific Categories for TIF #1

<u>Project Specific Categories</u>	<u>Cost</u>
Town Participation	
Road Network to include Fairview Parkway, Frisco Road, the primary roads in the North CPDD, and Ridgeview Overpass*	\$12,490,700
16"/12" Water Main Loops	5,300,000
16" Force Main and other Sewer Lines	6,100,000
Administration	<u>200,000</u>
Subtotal	\$24,009,700
Collin County Participation	
Road Network to include Fairview Parkway, Frisco Road, the primary roads in the North CPDD, and Ridgeview Overpass*	\$15,709,300**

* Ridgeview overpass costs represent an estimate of town cost in the TxDOT project

** This represents the maximum participation of Collin County