A G E N D A
CITY COUNCIL MEETING
October 10, 2016 @ 6:00 p.m.
Council Chambers - Government Center
200 North 12th Street - Corsicana, Texas 75110

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **INVOCATION**

4. **MINUTES**
   Consider approving the minutes for the Regular Meeting of September 26, 2016.

5. **PUBLIC FORUM**
   a. Presentation of the Police Commendation Merit Ribbon to Officer Steven Travis by Police Chief Robert Johnson.

   b. Public Comments.

6. **PUBLIC HEARINGS**

7. **ORDINANCES**

8. **RESOLUTIONS**
   a. Consider approving establishment of the Interlocal Tax Trust Agreement and Housing Infill Program Priorities, Policies, and Procedures.

   b. Consider approving a lease agreement between the City of Corsicana and Sundt, Inc. for the lease of approximately 10 acres in the South I-45 Industrial Park.

9. **APPOINTMENTS**

10. **REPORTS and MISCELLANEOUS ANNOUNCEMENTS**
    Mayor/Council

11. **EXECUTIVE SESSION:** The Council will recess into closed or executive session to receive attorney's advice on legal matters pursuant to Section 551.071 of the Texas Government Code.

12. **RETURN TO OPEN SESSION:** The Council will consider and act upon items discussed under Executive Session, as necessary.

13. **ADJOURN**

AGENDA INFORMATION

* INFORMATION ON THE FOLLOWING PAGES IS SUBJECT TO CHANGE PRIOR TO COUNCIL MEETING.

ITEM NO. 4

Date: October 10, 2016

Subject: **Minutes**

Comments:

A copy of the minutes for the Regular Meeting of September 26, 2016, are attached for review.

Recommendation: Approve the minutes as printed.

CITY OF CORSICANA
COUNTY OF NAVARRO
STATE OF TEXAS

Council Regular Session
September 26, 2016

The Corsicana City Council met in a Regular Session on September 26, 2016, in the Corsicana Government Center Council Chambers, 200 N. 12th Street, Corsicana, Texas. Mayor Chuck McClanahan called the meeting to order at 6:00 p.m. The following members were present: Susan Hale, Council Member Precinct 1; Ruby Williams, Mayor Pro Tem/Council Member Precinct 2; John McClung, Council Member Precinct 3; and Don Denbow, Council Member Precinct 4.

Connie Standridge, City Manager; Kerri Anderson Donica, City Attorney; Virginia Richardson, City Secretary/Director of Finance; Elizabeth Borstad, City Engineer; Pam Gibson, Human Resource Director; Scott Jones, Economic Development Director; Audrey Sloan, Planning and Zoning Manager; Sara Beth Wilson, Main Street Director; Ronnie McGaha, Asst. Police Chief; Cliff Nesmith, Water Utilities Superintendent; and other interested citizens were also present.

The invocation was given by Rev. Raj Kripalani of First Baptist Church.

Approval of Minutes

The motion was made by Ruby Williams, and seconded by Susan Hale, *to approve the minutes for the Budget Work Session and Regular Meeting of September 12, 2016.* Motion passed, 5-0.

Public Forum

N/A

Public Hearings

a. Receive public input regarding adopting the 2017 Fiscal Year budget.

   This item was presented by City Manager Connie Standridge.

b. Receive public input regarding ratifying the property tax increase reflected in the Fiscal Year 2017 adopted budget and acknowledging that the increase raises more in tax revenue than the Fiscal Year 2016 adopted budget.

   This item was presented by City Manager Connie Standridge.

c. Receive public input regarding adopting the tax rate for $0.6272 for Fiscal Year 2017.

   This item was presented by City Manager Connie Standridge.

d. Receive public input regarding a request to close and abandon a 20-foot alley in City Block 1038, running east and west.

This item was presented by Audrey Sloan, Planning and Zoning Manager.

e. Receive public input regarding a request to close and abandon a portion of Miller Avenue running east and west between City Blocks 807D and 807G.

This item was presented by Audrey Sloan, Planning and Zoning Manager.

The applicant, Richard Tate, 166 N. 36th Street, addressed the council.

Ordinances

Ordinance 2900 (passed)

The motion was made by Don Denbow, and seconded by John McClung, that Ordinance 2900, adopting the 2017 Fiscal Year budget, be passed and approved. The motion passed, 5-0, with the following roll call vote: For: Susan Hale, Ruby Williams, John McClung, Don Denbow and Mayor McClanahan. Against: none.

Ordinance 2901 (passed)

The motion was made by John McClung, and seconded by Ruby Williams, that Ordinance 2901, ratifying the property tax increase reflected in the Fiscal Year 2017 adopted budget and to acknowledge that the increase raises more in tax revenue than the Fiscal Year 2016 adopted budget, be passed and approved. The motion passed, 5-0, with the following roll call vote: For: Ruby Williams, John McClung, Don Denbow, Susan Hale and Mayor McClanahan. Against: none.

Ordinance 2902 (passed)

The motion was made by Don Denbow, and seconded by John McClung, that Ordinance 2902, adopting the tax rate for $0.6272 for Fiscal Year 2017, be passed and approved. The motion passed, 5-0, with the following roll call vote: For: John McClung, Don Denbow, Susan Hale, Ruby Williams and Mayor McClanahan. Against: none.

Ordinance 2903 (passed)

The motion was made by Ruby Williams, and seconded by Susan Hale, that Ordinance 2903, approving the request to close and abandon the 20-foot alley running east and west through City Block 1038, be passed and approved. The motion passed, 5-0, with the following roll call vote: For: Don Denbow, Susan Hale, Ruby Williams, John McClung and Mayor McClanahan. Against: none.

Ordinance 2904 (passed)

The motion was made by Don Denbow, and seconded by John McClung, that Ordinance 2904, approving the request to close and abandon a portion of Miller Avenue running east and west between City Blocks 807D and 807G, be passed and approved. The motion passed, 5-0, with the following roll call vote: For: Susan Hale, Ruby Williams, John McClung, Don Denbow and Mayor McClanahan. Against: none.

Resolutions

Resolution 3915 (approved)

This item was presented by President of Corsicana Convention and Visitors Bureau Cindy Erwin. Questions were answered by Mrs. Erwin and Councilwoman Hale.

The motion was made by John McClung, and seconded by Don Denbow, that Resolution 3915, approving the proposed 2016-2017 Budget for the Corsicana Convention and Visitors Bureau, be passed and approved. The motion passed, 5-0. Against: none.

RESOLUTION NO. 3915

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, APPROVING THE PROPOSED 2016-2017 BUDGET FOR THE CORSICANA CONVENTION AND VISITORS BUREAU.

WHEREAS, the Corsicana Convention and Visitors Bureau has submitted the proposed 2016-2017 budget to the City of Corsicana; and

WHEREAS, the City Council hereby accepts and approves the proposed budget for 2016-2017.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, hereby accepts and approves the 2016-2017 budget for the Corsicana Convention and Visitors Bureau.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **26th** day of **September, 2016.**

Resolution 3916 (approved)

This item was presented by Elizabeth Borstad, City Engineer.

The motion was made by Ruby Williams, and seconded by John McClung, that Resolution 3916, authorizing the City Manager to execute a contract between the City of Corsicana and Traylor and Associates, LLC to provide grant management services for the Texas Community Development Block Grant award for the West 14th Street water and street improvements project, be passed and approved. The motion passed, 5-0. Against: none.

RESOLUTION NO. 3916

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT BETWEEN THE CITY OF CORSICANA AND TRAYLOR AND ASSOCIATES, LLC TO PROVIDE GRANT MANAGEMENT SERVICES FOR THE CONTRACT AWARD FROM THE TEXAS DEPARTMENT OF AGRICULTURE UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT.

WHEREAS, the Texas Department of Agriculture approved a Community Development Block Grant project in the amount of $275,000.00 to assist with water street improvements; and

WHEREAS, in accordance with program rules, Requests for Proposals were duly advertised and solicited; and

WHEREAS, two proposals were received; and

WHEREAS, after review and evaluation of the proposal it is recommended to authorize award of the contract for management services to Traylor and Associates, LLC for a fee of $30,000.00.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the City Manager is authorized to execute a contract with Traylor and Associates, LLC to provide management services for the contract award from the Texas Department of Agriculture under the Community Development Block Grant for a total fee of $30,000.00.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **26th** day of **September, 2016.**

Resolution 3917 (approved)

This item was presented by Cliff Nesmith, Water Utilities Superintendent.

The motion was made by John McClung, and seconded by Don Denbow, that Resolution 3917, authorizing award of bids for Water/Wastewater Chemicals for Fiscal Year 2017, be passed and approved. The motion passed, 5-0. Against: none.

RESOLUTION NO. 3917

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING BID AWARDS FOR WATER/WASTEWATER CHEMICALS.

WHEREAS, notice to bid was duly advertised for various Water/Wastewater Chemicals for FY 2017; and

WHEREAS, bids were received, opened and read aloud at 2:00 p.m. on, September 20, 2016; and

WHEREAS, apparent low bidders, with the exception of one which is considered a local vendor, for the various water/wastewater chemicals are as follows:

Chemical	Company	Price/Ton	Approx. Annual Cost
Sulfur Dioxide (24 tons)	DPC Industries	$793.00	$19,032.00
Sodium Permanganate (20 tons)	Brenntag	$2,969.00	$59,380.00
Sodium Hydroxide (50%) (350 tons)	Shrieve Chem.	$236.00	$82,600.00
Liquid Chlorine (150 tons)	DPC Industries	$619.00	$92,850.00

Aluminum Sulfate (1050 tons)	Chameleon Ind.	$110.24	$115,752.00
Cationic Polymer (40 tons)	Chameleon Ind.	$1,231.60	$49,264.00

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the bid for water/wastewater chemicals be awarded to DPC Industries, Brenntag, Shrieve Chemical, and Chameleon Industries for the bid amounts listed above.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **26th** day of **September, 2016.**

Resolution 3918 (approved)

This item was presented by City Manager Connie Standridge.

The motion was made by Ruby Williams, and seconded by Susan Hale, that Resolution 3918, approving certain property as surplus and authorizing the City Manager to execute sale or disposal of said property, be passed and approved. The motion passed, 5-0. Against: none.

RESOLUTION NO. 3918

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, DECLARING CERTAIN PROPERTY AS SURPLUS AND AUTHORIZING THE CITY MANAGER TO EXECUTE SALE OR DISPOSAL OF SAID PROPERTY.

WHEREAS, the City of Corsicana desires to alleviate the City of said surplus property; and

WHEREAS, the City of Corsicana has legal title to said surplus property; and

WHEREAS, the City of Corsicana desires to dispose of the surplus property listed on the attached Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the City declares the attached Exhibit "A" as surplus property and authorizes the City Manager to execute sale or disposal of said property.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **26th** day of **September, 2016.**

Appointments:

N/A

Reports/Miscellaneous Announcements:

Mayor/Council

Groundbreaking for SH 31 Relief Route, 4:00 p.m.	100 SW CR 1000	September 29
Texas Night Out, 5:00 – 7:00 p.m.	Beaton St. between 5th Ave & Collin St.	October 4
G.W. Jackson Multi-Cultural Rodeo, 7:00 p.m.	Youth Expo	October 15

Adjournment

There being no further business, the Mayor declared the meeting adjourned at 6:26 p.m.

Attested This, the 10th day of October 2016

Attested This, the 10th day of October 2016

Finance Director/City Secretary

Mayor

***** ***** ***** ***** ***** *****

ITEM NO. 5

Date: October 10, 2016

Subject: **Public Forum**

5. Comments: PUBLIC FORUM

a. Presentation of the Police Commendation Merit Ribbon to Officer Steven Travis by Police Chief Robert Johnson.

b. Receive comments from public, if any.

Recommendation: No action required.

ITEM NO. 6

Date: October 10, 2016

Subject: **Public Hearings**

6. PUBLIC HEARINGS

Recommendation: N/A

ITEM NO. 7

Date: October 10, 2016

Subject: **Ordinances**

Comments: N/A

Recommendation: N/A

ITEM NO. 8A

Date: October 10, 2016

Subject: **Establish Interlocal Tax Trust Agreement and the Housing Infill Program Priorities, Policies, and Procedures**

Comments: Attached is a resolution for the City of Corsicana requesting approval to establish the Interlocal Tax Trust Agreement with Limited Power of Attorney and the Housing Infill Program Priorities, Policies, and Procedures.

The Interlocal Agreement is between the "taxing entities" named as the City of Corsicana, County of Navarro, Corsicana Independent School District, and Navarro College.

When properties located within the City Limits of the City of Corsicana are transferred to the taxing entities by foreclosure at Sheriff's sale, agreement of parties, or otherwise for non-payment of ad valorem taxes, it is convenient for the City to take title of the property as Trustee for the four taxing entities. This will allow interested developers to acquire the property with one contact. Properties currently held and acquired in the future by the City, County, and School District as Trustee for the other entities shall be governed by this Agreement.

Per the Housing Infill Program Priorities, Policies, and Procedures, acquisition, use, and disposition of properties acquired by the taxing entities shall at all times be consistent with the authority granted through tax foreclosure procedures in accordance with Texas Property Tax Code Section 34.05, authority granted by the applicable laws of the State of Texas, the Interlocal agreement between the taxing entities, and the public purposes set forth therein.

Recommendation: Approve the resolution establishing the Housing Infill Program Priorities, Policies, and Procedures.

MOTION:

I MOVE TO APPROVE/DENY ESTABLISHING THE INTERLOCAL TAX TRUST AGREEMENT AND THE HOUSING INFILL PROGRAM PRIORITIES, POLICIES, AND PROCEDURES.

INTERLOCAL TAX TRUST AGREEMENT
WITH LIMITED POWER OF ATTORNEY

CITY: CITY OF CORSICANA
Attn: City Manager
200 North 12th Street
Corsicana, TX 75110

SCHOOL DISTRICT: CORSICANA INDEPENDENT SCHOOL DISTRICT
Attn: Business Manager
2200 West 4th Avenue
Corsicana, TX 751710

COLLEGE: NAVARRO COLLEGE
Attn: President
3200 West 7th Avenue
Corsicana, TX 75110

NAVARRO: COUNTY OF NAVARRO
Attn: County Judge
300 West 3rd Avenue
Corsicana, TX 75110

BACKGROUND

1. CITY, SCHOOL DISTRICT, COLLEGE, AND NAVARRO are all taxing entities who levy ad valorem taxes within the County of Navarro in the State of Texas

2. From time to time, various real estate properties are transferred to the taxing entities by foreclosure at Sheriff's sale, agreement of parties or otherwise for non-payment of ad valorem taxes ("Properties").

3. When those Properties are located inside the City Limits of the City of Corsicana, Navarro County, Texas, it is convenient for the CITY to take title to the Properties as Trustee for itself, SCHOOL DISTRICT, COLLEGE, and NAVARRO.

4. CITY is willing to do this as a matter of convenience to the other parties to this Agreement, and the other parties are willing to allow CITY to so hold this.

5. From time to time, Properties may be offered for sale, or CITY may receive offers to purchase Properties, and it would be convenient for all of the parties to this Agreement to have CITY negotiate the terms of the sale of Properties on behalf of the other parties in accordance with the policies outlined and approved by each entity.

NOW, THEREFORE, in consideration of the mutual benefits flowing to the parties to this Agreement, and in order to spell out the duties, rights and obligations of each party to this Agreement, the parties as follows, pursuant to Texas Tax code (TTC) § 34.01 et seq.

1. CITY agrees, from time to time, by foreclosure sale, agreement of the parties or otherwise to take title to properties located within the City Limits as Trustee on behalf of itself, SCHOOL DISTRICT, COLLEGE, and NAVARRO, and in fact, already hold title to a number of Properties.

2. All Properties held by CITY, COUNTY and the SCHOOL DISTRICT as Trustee for the other entities, whether now held or acquired in the future, shall be governed by this Agreement, and TTC §34.01 et seq.

3. The parties will own beneficial title to each separate parcel of Property in the percentage that the taxes owed to each entity against the property bears to the total taxes owed to all entities. The total amount of each entity's taxes and the total amount of the taxes owed against the Property will be determined by the various tax entities tax attorneys as of the date the CITY takes title in trust to each parcel of property.

4. CITY is willing to do this as a matter of convenience to the other parties to this Agreement, and the other parties are willing to allow CITY to so hold title.

5. From time to time, Properties may be offered for sale, or CITY may receive offers to purchase Properties, and it would be convenient for all of the parties to this Agreement to have CITY negotiate the terms of the sale if Properties on behalf of the other parties.

NOW, THEREFORE, in consideration of the manual benefits flowing to the parties to this Agreement, and in order to spell out the duties, rights and obligations of each party to this Agreement, the parties agree as follows, pursuant to Texas Tax Code (TTC) §34.01 et seq.

1. CITY agrees, from time to time, by foreclosure sale, agreement of the parties or otherwise to take title to properties located within its City Limits as Trustee on behalf of itself, SCHOOL DISTRICT, AND NAVARRO COUNTY, in fact, already holds title to a number of Properties.

2. All Properties held by CITY , COUNTY and the SCHOOL DISTRICT as Trustee for the other entities, whether now held or acquired in the future, shall be governed by this Agreement, and TTC §34.01 et seq.

3. The Parties will own beneficial title to each separate parcel of Property in the percentage that the taxes owed to each entity against the property bears to the total taxes owed to all entities. The various tax entities tax attorneys as of the date will determine the total amount of the taxes owed against the Property that CITY takes title in trust to each parcel of property.

4. Upon sale of any parcel of Property, CITY, after deducting the actual costs and expenses of selling the Property, such as any appraisal, surveys, attorney's fees, title insurance, etc., will disburse the net proceeds of the sale to each tax entity in proportion to their beneficial ownership of the Property, pursuant to TTC 34.03.

5. In order to facilitate sale of Property and return them to the tax rolls, each tax entity agrees to execute any and all necessary releases and to provide clear tax certificate on each Property to be sold.

6. In order to facilitate the sale of Properties, SCHOOL DISTRICT, COLLEGE, and NAVARRO COUNTY hereby appoint CITY as Attorney-in-Fact for them and give to CITY, with respect to each parcel of Property, the following powers:

    a. Enter into real estate listing agreements offering the Property for sale at any price on any terms with any commission agreement.

    b. Contract to sell the Property for any price on any terms.

    c. Convey the Property

    d. Execute and deliver any legal instruments relating to the sale and conveyance, including but not limited to general and special warranty deeds binding each tax entity with the vendor's liens retained or disclaimed as applicable or transferred to a third-party lender, affidavits (e.g., federal tax statements), notices, waivers, and designations.

    e. Approve closing statements authorizing deductions from the sale price.

    f. Indemnify and hold harmless any third party who accepts and acts under this power of attorney.

    g. Do everything and sign everything necessary appropriate to sell the property and accomplish the powers set out.

    h. Consent to sale of Properties pursuant to TTC§34.05

7. This Agreement and Limited Power of Attorney is to be construed and interpreted as a Limit Power of Attorney relating only to the transactions set forth above.

8. As to any entity, this Tax Trust Agreement and Power if Attorney may be voluntarily revoked by written revocation entered of record in the office of the County Clerk of Navarro County, Texas

9. CITY shall not be obligated to furnish bond or other certificate and shall not be entitle to compensation for services rendered.

10. SCHOOL DISTRICT, COLLEGE, and NAVARRO COUNTYT hereby ratify and confirm all that CITY shall lawfully do or cause to the done by virtue of this Limited Power of Attorney and the rights and powers granted herein and all action necessary to complete any transaction under this Agreement

11. Each individual executing this Agreement on behalf of any taxing entity has been granted full power by the governing body of each entity, and the individual executing this Agreement certifies that he or she executes it only after ratification by each of the taxing entities listed below, who in turn have acted only after due notice and action of the full governing body of each taxing entity.

12. This Agreement may be executed in multiple counterparts but shall not be effective until executed by all of the entities for which a signature line has been prepared.

EXECUTED as of the _____ day of _____, 2007

City of Corsicana

BY: _____

Its: _____

CITY

Corsicana Independent School District

BY: _____

Its: _____

SCHOOL DISTRICT

Navarro College

BY: _____

Its: _____

County of Navarro

BY: _____

Its: _____

STATE OF TEXAS §

COUNTY OF NAVARRO §

This instrument was acknowledged before me on the _____ day of _____, 20_____ by _____ as _____, of City of Corsicana, on behalf of said city.

_____

NOTARY PUBLIC, State of Texas
Commission Expires: _____

STATE OF TEXAS §

COUNTY OF NAVARRO §

This instrument was acknowledged before me on the _____ day of _____, 20_____ by _____ as _____, of Corsicana Independent School District, on behalf of said District.

_____

NOTARY PUBLIC, State of Texas
Commission Expires: _____

STATE OF TEXAS §

COUNTY OF NAVARRO §

This instrument was acknowledged before me on the _____ day of _____, 20_____ by _____ as _____, of Navarro College, on behalf of said College.

_____

NOTARY PUBLIC, State of Texas
Commission Expires: _____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20_____ by _____ as County Judge of County of Navarro, on behalf of said County.

_____
NOTARY PUBLIC, State of Texas
Commission Expires: _____

THE STATE OF TEXAS, COUNTY OF NAVARRO, I, _____, County Clerk of the County Court of said county, do hereby certify that the foregoing instrument of writing, with its Certificate of Authentication, was filed for record in my office on the _____ day of _____, A. D., 20 _____ at _____o'clock ____. M., in the _____ Records of said County, in Volume _____ on page (s) _____.

Witness my hand and seal of County Court of said County at office in Corsicana, Texas, the day and year last above written.

_____
Clerk, County Court, Navarro County, Texas

BY: _____, Deputy

CITY OF CORSICANA

HOUSING INFILL PROGRAM
PRIORITIES, POLICIES AND PROCEDURES

Contents

1. **Policies Governing the Transfer of Properties**
2. **Priorities Concerning the Disposition of Properties**
3. **Factors in Determining Consideration Due Upon Transfers**
4. **Side Lot Utilization Project**
5. **Residential Land Transfers**
6. **Non-Residential Land Transfers for Improvement of Public Facilities and/or Expansion of Services, Neighborhood Revitalization and/or Redevelopment**
7. **Approval of Land Transfers**
8. **Reporting of Land Transfers**

The acquisition and disposition of properties acquired by the taxing entities through tax foreclosure procedures in accordance with Texas Property Tax Code Section 34.05 and the Interlocal Agreement between the City of Corsicana, Navarro County, Corsicana Independent School District and Navarro College (hereinafter referred to as the "Taxing Entities") covering such properties shall be governed by the following basic priorities and guidelines.

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the applicable laws of the State of Texas, the Interlocal Agreement between the taxing entities, and the public purposes set forth therein.

1. Policies Governing the Transfer of Properties

In determining which, if any, properties shall be acquired by the CITY pursuant to the Interlocal Agreement the CITY shall give consideration to the following factors:

1. Properties that would support affordable homeownership, and are either unimproved or unoccupied and are available for immediate occupancy without need for substantial rehabilitation.
2. Improved properties that would be in support of affordable homeownership and are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.
3. Proposals and requests by individuals, nonprofit and for-profit entities identifying specific properties that would support affordable homeownership, improvement or expansion of community services, neighborhood revitalization, redevelopment, or other activities in support of the program goals and objectives.
4. Proposals and requests by governmental entities that identify specific properties for ultimate uses that would support the improvement or expansion of public services, neighborhood revitalization, redevelopment, or other activities in support of the program goals and objectives.
5. Vacant properties that are the subject of existing weed/debris liens or demolition liens and which would be good candidates for return to productive tax status or be in support of neighborhood revitalization or other program goals and objectives.
6. Vacant properties that meet the criteria for use as a Side Lot of an adjacent residential property and support the return of such property to productive tax status or neighborhood revitalization.
7. Properties that would be in support of strategic neighborhood stabilization and revitalization plans.

The CITY may combine properties from one or more of the foregoing categories in acquiring and disposing of the properties covered by the Interlocal Agreement. In

determining the nature and extent of the properties to be acquired the City shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions, the operational capacity of the responsible City Departments and the projected length of time for transfer of such properties to the ultimate transferees.

2. Priorities Concerning the Disposition of Properties

The disposition of properties shall be based upon a combination of three different factors. The first factor involves the **intended or planned use of the property**. The second factor considers **the nature and identity of the transferee of the property**. The third factor **addresses the impact of the property transfer on the short and long term neighborhood and community development plans**. Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The Housing Infill Project (HIP) Committee and City staff shall at all times retain flexibility in evaluating the appropriate balancing of the priorities for the use of property, priorities as to the nature of the transferee of properties, and priorities concerning neighborhood and community development.

Priorities for Use of Property

1. Properties that are vacant and have a tax delinquency of 6 or more years, support affordable homeownership, and are available for immediate occupancy without need for substantial rehabilitation.
2. Properties that are distressed and have a tax delinquency of 6 or more years, support affordable homeownership and are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.
3. Vacant properties with a tax delinquency of 6 or more years that are the subject of existing weed/debris liens or demolition liens and which would be good candidates for return to productive tax status or be in support of neighborhood revitalization or redevelopment.
4. Vacant properties with a tax delinquency of 6 or more years that meet the criteria for use as a Side Lot of an adjacent residential owner-occupied property owner and support the return of such property to productive tax status or neighborhood revitalization.
5. Vacant or distressed properties with a tax delinquency of 6 or more years that would be in support of strategic neighborhood stabilization and revitalization plans through the improvement or expansion of community services, or other activities in declining or revitalized areas
6. Vacant or distressed properties with a tax delinquency of 6 or more years that would be in support of strategic neighborhood stabilization and revitalization plans through the improvement or expansion of public facilities and/or service improvements in declining or revitalized areas.

Priorities as to the Nature of the Transferee

1. Qualified individuals that will hold title to the property on a long-term basis for responsible homeownership.
2. Qualified private for-profit entities that will hold title to the property for purposes of subsequent reconveyance to private third parties for affordable homeownership.
3. Entities that are either partnerships, limited liability corporations, or joint venture groups comprised of private nonprofit corporations or private for-profit entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of community services.
4. Qualified non-profit entities that will hold title to the property on a long-term basis (primarily affordable rental housing properties) or hold title to the property for purposes of subsequent reconveyance to private third parties for affordable homeownership.
5. Qualified non-profit institutions including academic and religious institutions for purposes of neighborhood stabilization, revitalization, redevelopment or expansion/improvement of community services.
6. Governmental entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of public facilities or services.
7. Individuals who own residential property for purposes of the Side Lot utilization.
8. Private for-profit entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of community services.

Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the CITY shall be ineligible to be the transferee of such property from the CITY.

Priorities Concerning Neighborhood Revitalization and Community Development

1. The preservation of existing stable and viable neighborhoods.
2. Neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration.
3. Neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration.
4. Geographic areas which are predominantly non-viable for purposes of residential or commercial development.

3. Factors in Determining Consideration Due Upon Transfers

The following factors shall constitute general guidelines for determination of the consideration to be received by the CITY for the transfer of properties. In each and every transfer of real property the CITY shall require good and valuable consideration in an amount determined by the CITY in its sole discretion. The CITY will consider in its determination of consideration for each property the fair market value of the property, the Property Costs, the financial resources available to transferee for acquisitions, the priorities for the use of the property, and the priorities as to the nature of the transferee. "Property Costs" shall mean the aggregate costs and expenses of the CITY attributable to the specific property in question, including abstract fees, court costs, ad litem fees, publication costs, costs of acquisition, liens, maintenance, repair, demolition, improvements and marketing of the property.

The consideration to be provided by the transferee to the CITY may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.

1. Transfers to Qualified Individuals, Non-profit and For-profit Entities

   (a) Transfers of property to Qualified Individuals or nonprofit entities in support of the program goals and objectives will ordinarily require consideration in an amount based on the Property Costs, the financial resources of the transferee, the priorities for the use of the property, and the priorities as to the nature of the transferee.

   (b) Consideration shall be reflected by a combination of contractual obligations to develop, maintain, or preserve the property for specified affordable housing purposes. Such amount may be secured by subordinate financing in which amortization of the obligation occurs by virtue of annual performance of the required conditions.

   (c) The dominant priority in determining the amount of and method of payment of the consideration shall be to facilitate the program goals and objectives and simultaneously to ensure that the property is dedicated over an appropriate period of time for the full accomplishment of the program goals and objectives.

2. Transfers to Governmental Entities

   (a) To the extent that transfers of property to governmental entities are designed to be held by such governmental entities in perpetuity for governmental purposes, the aggregate consideration for the transfer will ordinarily require consideration based on the Property Costs, or be satisfied by deed restrictions based on the priorities for the use of the property, and the priorities as to the nature of the transferee.

(b) Such consideration may also be satisfied by a combination of contractual obligations to or be satisfied by deed restrictions upon the use of the property for specified program purposes.

3. Side Lot Utilization Project.
The pricing policies applicable to the Side Lot Utilization Project shall be as set forth in the policies and procedures applicable to the Side Lot Utilization Project.

4. Transfers of Property at Open Market Conditions.
Property that is transferred on the open real estate market, without restrictions as to future use will ordinarily require consideration based upon the fair market value of the property, and the Property Costs. Such consideration will normally require payment in full at the time of the transfer.

4. Side Lot Utilization Project

Individual parcels of property may be acquired by the City and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Program is subject to override by higher priorities as established by these policies.

A. Side Lot Disposition Policies

1. Qualified Properties Parcels of property eligible for inclusion in the Side Lot Program shall meet the following minimum criteria:

   (a) The property shall be vacant real property.
   (b) The property shall be physically contiguous to adjacent residential property, with not less than a 75% common boundary line at the side.
   (c) The property shall consist of no more than one lot capable of development. Initial priority shall be given to the disposition of properties of insufficient size to permit independent development.
   (d) No more than one lot may be transferred per contiguous lot.

2. Transferees

   (a) All transferees must own the contiguous property, and priority is given to transferees who personally occupy the contiguous property.
   (b) The transferee must not own any real property (including both the contiguous lot and all other property in the City of Corsicana) that is subject to any unremediated citation of violation of the state and local codes and ordinances.
   (c) The transferee must not own any real property (including both the contiguous lot and all other property in the City of Corsicana) that is tax delinquent.
   (d) The transferee must not have been the prior owner of any real property in the City of Corsicana that was the subject of a

completed tax foreclosure proceeding unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

3. Consideration

(a) Parcels of property that are not capable of independent development may be transferred for nominal consideration and will ordinarily include contractual obligations to develop, maintain, or preserve the property for specified residential side lot purposes.

(b) Parcels of property that are capable of independent development will ordinarily be transferred for consideration in an amount equal to the Property Costs incurred for the lot. Such consideration may be satisfied by a combination of contractual obligations to develop, maintain, or preserve the property for specified neighborhood revitalization purposes.

4. Additional Requirements

(a) In the event that multiple adjacent property owners desire to acquire the same side lot, the lot shall either be transferred to the highest bidder for the property, or divided and transferred among the interested contiguous property owners.

(b) The Side Lot policies and priorities may be used in the event that a contiguous property needs land for a driveway or other local code compliance issues.

5. Residential Land Transfers

A. Residential Land Transfers

These policies pertain to transfers whose future use is residential. At time of transfer the property may be vacant, improved or ready to occupy.

1. The transferee must not own any real property that has any unremediated citation of violation of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent unless the transfer is approved by the City Manager and such transfer substantially supports affordable housing initiatives.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).
4. The transferee must not have been the prior owner of any real property in the City of Corsicana that was the subject of a completed tax foreclosure proceeding unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

5. All development projects should be started and completed within a time frame negotiated with the CITY.
6. A precise narrative description of future use of the property is required.
7. Transactions shall be structured in a manner that permits the CITY to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the CITY.
8. The transferee must agree to pay future property taxes from time of transfer.
9. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
10. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
11. Where part or all of the consideration for the transfer is the prospective affordability of the housing units, affordability requirements may be set forth in the transfer agreement and enforceable through recorded covenants, conditions or limitations upon title.
12. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the CITY and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.

The following additional policies shall apply to properties to be transferred to individual transferees as part of a homeownership program.

13. The owner-occupant must complete renovations and move into the structure within a time frame negotiated by the CITY.
14. The property may not be used as multifamily, other than for duplex homes, and not for manufactured homes, other than modular.

B. Residential Land Transfer Procedures - Individuals

1. The prospective transferee must complete a written application and submit the following documents to the CITY:

   (1) List of property address
   (2) Rehabilitation / Improvement Specifications
   (3) Time Line for Rehabilitation / Improvement Completion (if applicable)
   (4) Project Financing if applicable (Pre-Qualification Letter for Lender)
   (5) Development Budget (if applicable)
   (6) Most Recent Tax Return

(7) Two forms of identification, one of which includes picture identification
(8) Evidence of compliance with all applicable CITY codes and policies

2. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.

3. Once the project has been approved, the staff will compile the closing documents for property transfer and complete the transaction with the transferee.

C. Residential Land Transfer Procedures – Private/Non-Profit/Corporate Entities

1. Required Application Documentation. The prospective buyer must complete a written application and submit the following documents to the CITY.

   (1) List of property address(es)
   (2) Project Description
   (3) Development Team Description, including complete information on the following parties:
      (a) Developer:
      (b) Co-developer/Partner:
      (c) Owner:
      (d) General Contractor:
      (e) Consultants:
      (f) Architect:
      (g) Project Manager (during construction):
      (h) Lead Construction Lender:
      (i) Marketing Agent:
      (j) Project Management (post-construction):
   (4) Market Information / Plan
   (5) Project Financing
   (6) Development Budget
   (7) An Operating Budget
   (8) Most Recent Audited Financial Statement (or substantially equivalent documentation, approved by CITY)
   (9) Evidence of compliance with all applicable CITY codes and policies

2. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application

3. Once the project has been approved, the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

6. Non-Residential Land Transfers for Improvement of Public Facilities and/or Expansion of Services, Neighborhood Revitalization and/or Redevelopment

A. Non-Residential Land Transfer Procedures for transfers to Private/Non-Profit /Corporate Entities

1. The transferee must not own any real property that has any unremediated citation of violation of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The transferee must not have been the prior owner of any real property in The City of Corsicana that was transferred to the CITY as a result of tax foreclosure proceedings unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.
4. The transferee's proposed use of transferred property must give consideration to the Master Plan developed by the City of Corsicana and transferee must provide proof that notice was provided to any community groups or neighborhood associations located within or surrounding the property.
5. All development projects should be started and completed within a time frame negotiated with the CITY.
6. A precise narrative description of future use of the property is required.
7. Transactions shall be structured in a manner that permits the CITY to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the CITY.
8. The transferee must agree to pay future property taxes from time of transfer.
9. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
10. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
11. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.
12. Once the project has been approved the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

B. Non-Residential Land Transfer Procedures for transfers to Public Entities

1. Required Application Documentation. The prospective buyer must submit the following documents to the CITY.

   (1) List of property address(es)
   (2) Project Description
   (3) Project Team/ Responsible Staff
   (4) Development Plan
   (5) Site Plan
   (6) Project Cost
   (7) Evidence of compliance with all applicable CITY codes and policies

2. The transferee's proposed use of transferred property must give consideration to the Master Plan developed by the City of Corsicana.
3. All development projects should be started and completed within a time frame negotiated with the CITY.
4. A precise narrative description of future use of the property is required.
5. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
6. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
7. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.
8. Once the project has been approved the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

7. Approvals of Land Transfers

A. Transfers Requiring Approval of Transfers Committee

1. The Transfers Committee shall be made up of the City Manager or a designee, Planning and Zoning Manager, Director of Engineering, the Economic Development Director, and City Attorney (or a attorney designee).
2. The Transfers Committee must approve all transfers in which the property in the hands of the transferee will be exempt from property taxes.
3. The Transfers Committee must approve all transfers with more than one interested buyer.

4. The Transfers Committee must approve all transfers for non-residential projects.
5. The Transfers Committee must approve all transfers to governmental entities.
6. All other transfers must be approved by the City Manager.

B. Transfers Requiring Director of Neighborhood Services Approval

1. The City Manager may approve all transfers in the Side Lot Utilization Project and may further delegate, by written policy, such approval authority.
2. The City Manager may approve all single parcel land transfers for residential use. If a prospective transferee seeks to acquire more than five (5) properties within a twelve month period, the request must go to the Transfers Committee for approval.

8. Reporting of Land Transfers

The City Manager shall prepare and submit to each taxing entity annually a report including all of the properties transferred and will include any revenues collected. The report shall include expenses that were written off by each entity.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, ESTABLISHING THE INTERLOCAL TAX TRUST AGREEMENT AND THE HOUSING INFILL PROGRAM PRIORITIES, POLICIES, AND PROCEDURES.

WHEREAS, an Interlocal Agreement between the Taxing Entities named as the City of Corsicana, Navarro County, Corsicana Independent School District, and Navarro College is beneficial to encourage housing development; and

WHEREAS, it is necessary for the Housing Infill Program Priorities, Policies, and Procedures to be established as guidelines in the acquisition, use, and disposition of properties acquired by the City of Corsicana; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS THAT the Interlocal Tax Trust Agreement and the Housing Infill Program Priorities, Policies, and Procedures be established as guidelines in the acquisition, use, and disposition of properties acquired by the taxing entities.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **10th** day of **October, 2016.**

_____
Chuck McClanahan, Mayor

ATTEST:

_____
Virginia Richardson, City Secretary

APPROVED AS TO FORM:

_____
Kerri Anderson Donica, City Attorney

ITEM NO. 8B

Date: October 10, 2016

Subject: **Industrial Lease**

Comments: Sundt, Inc. desires to lease approximately 10 acres of land, more or less, out of the Michael Shire Survey, A-10, known as the South I-45 Industrial Park (Griffin Property).

Recommendation: Consider the above-described property to be leased by Sundt, Inc.

MOTION:

I MOVE TO APPROVE/DENY A LEASE AGREEMENT BETWEEN THE CITY AND SUNDT, INC. FOR THE LEASE OF APPROXIMATELY 10 ACRES.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF CORSICANA AND SUNDT, INC.

WHEREAS, Sundt, Inc. desires to lease approximately 10 acres of land, more or less, out of the Michael Shire Survey, A-10, known as the South I-45 Industrial Park, Navarro County, Texas and being all that land as identified on Exhibit A and incorporated herein for all purposes; and

WHEREAS, the attached proposed lease agreement allows Sundt, Inc. to lease said property for a period of four (4) years and month to month thereafter at a base monthly rate of $5,000; and

WHEREAS, the terms and conditions are set forth in the attached Lease Agreement and incorporated herein as if fully set forth at length.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT the Lease Agreement between the City of Corsicana and Sundt, Inc. is hereby approved.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **10th** day of **October, 2016.**

_____
Chuck McClanahan, Mayor

ATTEST:

_____
Virginia Richardson, City Secretary

APPROVED AS TO FORM:

_____
Kerri Anderson Donica, City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT ("**Lease**") is made and entered into to be effective as of November 1, 2016, (the "**Effective Date**") by and between the City of Corsicana ("**Landlord**") and **Sundt, Inc.**, a Texas Limited Liability Company ("**Tenant**").

WITNESSETH:

Landlord, in consideration of the rent to be paid and the covenants and agreements hereinafter set forth to be kept and performed by Tenant, does hereby LEASE, LET, RENT and DEMISE unto Tenant, and Tenant does hereby RENT and TAKE from Landlord, for the purposes and on the terms and conditions herein set forth, those certain tracts of land located in Navarro County, Texas, each as more particularly shown on **Exhibit "A"**, attached hereto and commonly known as a portion of the IH45 South Business Park, (the "**Land**") and fully incorporated herein, together with all improvements now or hereafter located on the Land and all the rights, privileges and appurtenances in anyway belonging to the Land including, without limitation, all rights of Landlord in and to the Land (collectively the "**Leased Premises**").

1. **Term**. This lease shall be for an initial term of 48 months ("**Initial Term**") commencing on November 1, 2016, ("**Commencement Date**") and ending on November 1, 2020 ("**Expiration Date**"). At the natural expiration of the Initial Term the Lease shall automatically be extended upon all the same terms and conditions of the Lease for each month that Tenant continues to make its monthly Base Rent payment. Landlord may terminate the Lease at any time after the Initial Term by providing thirty (30) days prior written notice. The Initial Term and all extensions thereof shall be referred to collectively as the "**Term**".

2. **Base Rent**. As base rent for the lease of the Leased Premises, Tenant shall pay to Landlord $5,000 per month ("**Base Rent**"), payable on the first day of each month. Base Rent shall include all real estate taxes, ad valorem taxes, paving assessments, sewer, water and other utility charges or assessments and any other tax, charge or assessment, general or special, of any kind whatsoever ("**Taxes**") which may be levied, charged, confirmed, imposed or assessed by any taxing or assessing authority against the Land, and which shall be paid by Landlord.

3. **Use of Land.** Tenant may use the Leased Premises for any construction related activities (the "**Permitted Use**"). Tenant and its contractors, subcontractors, licensees, investees and sub lessees, will comply with all applicable laws, ordinances, rules and regulations in connection with Tenant's use of the Leased Premises. Except for the warranties and representations made by Landlord in paragraph 5(f) and (g), below, the Property is leased to Tenant on an "as is/where is" basis. Landlord makes no other representations regarding the Property, the condition of the Property or the suitability of the Property for Tenant's uses. Tenant has inspected the Property and is satisfied based on such inspection that the Property is satisfactory for Tenant's planned uses.

4. **Improvements.** Landlord agrees that Tenant shall have the exclusive right to, and may from time to time, at its sole cost and expense: (i) make, erect, place and construct, in compliance with City regulations, on all or any part of the Leased Premises such buildings, structures and other improvements and fixtures as Tenant may deem necessary or convenient in connection with the Permitted Use of the Leased Premises. Tenant shall have the right to remove any of

Tenant's improvements, fixtures and equipment on the Leased Premises at any time during and for thirty (30) days after the Term. Landlord may, in its sole discretion, demand that Tenant remove any Improvements left on the Leased Premises after the expiration of the Term. Tenant shall be deemed to have abandoned to Landlord any improvements Landlord does not demand be removed, and which are left on the Leased Premises after the expiration of the Term.

5. **Representations and Warranties.** Landlord represents and warrants to Tenant as follows:

(a) Landlord is the fee simple owner of the Land and Leased Premises subject to this Lease and has full and complete authority to enter into this Lease. The execution of this Lease by Landlord does not violate any other agreement or instrument to which the Landlord may be a party and no other party is required to join in this Lease for it to be binding upon Landlord and the Leased Premises.

(b) Landlord is a Texas Home Rule City and has the full capacity, right, power and authority to execute, deliver and perform this Lease and all required actions and approvals therefore have been duly taken and obtained. The individual signing this Lease is and shall be duly authorized to sign the same and upon execution, this Lease shall be binding upon and enforceable against Landlord and the Leased Premises.

(c) Landlord has not received any notice, nor does Landlord have any knowledge, of any action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against the Leased Premises or against Landlord relating to the transaction contemplated by this Lease, which, if adversely determined, could individually or in the aggregate constitute a lien, claim or obligation against the Leased Premises or have a material adverse effect on title to the Leased Premises or any portion thereof or which could in any material way interfere with the terms and conditions of this Lease.

(d) Landlord has not received any notice, nor does Landlord have any knowledge, of any condemnation or similar proceedings relating to the Leased Premises which are pending or threatened, nor has Landlord agreed or committed to dedicate any part of the Leased Premises to the public.

(e) The Leased Premises is not now in whole or in part under lease to any person or entity, and no person or entity (other than Landlord) is in or is entitled to possession of the Leased Premises.

(f) No portion of the Leased Premises has been designated as (or included within) any habitat for an endangered or protected species by and governmental act, regulation or authority.

(g) Landlord has not received any written notification from any governmental or public authority that the Leased Premises is in violation of any governmental requirements, including, without limitation, the Hazardous Substance Laws, where such violation remains outstanding and, if unaddressed, would have a material adverse effect on the use of the Leased Premises. If any such notice is received by Landlord, a true, correct, and complete copy thereof shall be immediately delivered to Tenant. Landlord has not caused any hazardous materials or hazardous waste, in any form whatsoever, to enter the Leased

Premises. Landlord is not aware of any migration of hazardous materials or hazardous waste, in any form whatsoever, to enter the Leased Premises from adjacent properties. Landlord is not aware of any hazardous materials or hazardous waste, in any form whatsoever, on the Leased Premises. As used in this Agreement, the term "Hazardous Substance Laws" means the Comprehensive Environmental Response, Compensation And Liability Act ("CERCLA"), the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, any comparable or related state or local laws, any amendments or successor laws to the foregoing, any so-called federal, state or local "superfund" or "super lien" statutes, and any other similar statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability (including strict liability) or standards of conduct. As used in this Agreement, the term "Hazardous Substances" means and includes those elements or compounds which are contained on the list of hazardous substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress, the Environmental Protection Agency, the Texas Commission on Environmental Quality (the "TCEQ "), or any applicable requirements of any successor governmental entity or under any Hazardous Substance Laws, and includes, without limitation: (i) asbestos, (ii) petroleum or petroleum products, (iii) Methyl Tert-Butyl Ether , (iv) hazardous substances as defined by or pursuant to §101(14) of CERCLA, and (v) any other chemical, substance or waste that is regulated by any local, state, federal or other governmental or quasi-governmental authority including specifically, but without limitation, the TCEQ.

6. **Indemnity**. **TENANT AGREES TO DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS LANDLORD AND ITS AGENTS, AFFILIATES AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, COSTS AND/OR EXPENSES FOR PROPERTY DAMAGE OR PERSONAL INJURIES DIRECTLY ARISING FROM OR IN ANY WAY RELATED, DIRECTLY OR INDIRECTLY, TO TENANT'S USE OF THE LEASED PREMISES AND THE ACTS OR OMISSIONS OF TENANT, ITS AGENTS, EMPLOYEES, AFFILIATES, SUBSIDIARIES OR INVITEES. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THE AGREEMENT AND IT IS AGREED THAT THIS INDEMNITY IS A MATERIAL PART OF THE AGREEMENT AND THAT THE LANDLORD WOULD NOT HAVE ENTERED INTO THIS AGREEMENT IF TENANT DID NOT AGREE TO INDEMNIFY THE LANDLORD.**

   In addition, Tenant must obtain and maintain a policy of insurance providing comprehensive general liability insurance for Tenant's activities on the Premises. The policy shall be in the amount of $1,000,000.00 per occurrence, $2,000,000.00 aggregate. The policy shall name the Landlord as an additional insured. Tenant agrees to provide Landlord with proof of the insurance required by this paragraph.

7. **Permits and Cooperation.** Landlord shall reasonably cooperate with Tenant generally as necessary in connection with Tenant's Permitted Use on the Leased Premises, but at no liability or unreimbursed expense to Landlord.

8. **Right of Entry**. Upon reasonable prior notice to Tenant (or at any time and from time to time without notice if Tenant is in default beyond any applicable cure period hereunder), and subject to Tenant's reasonable rules and procedures involving entry to its operating sites

(including, without limitation, the execution by entering parties of any waivers reasonably requested by Tenant, and the provision by entering parties of commercially reasonable insurance and corresponding indemnities), Landlord shall have the right to enter the Leased Premises for the purpose of confirming Tenant's compliance with the terms hereof. The Tenant shall provide access for Landlord to remove and replace Landlord's property stored adjacent to the site. The Landlord shall have the right to enter and show the property to economic development prospects.

9. **Eminent Domain.**

(a) In the event all or any portion of the Leased Premises is taken or condemned by any public or quasi-public body having the right of eminent domain, Landlord and Tenant shall apportion any award as follows:

(i) Landlord shall receive all of the award which represents compensation for the value of such Leased Premises, except for the damages awarded to Tenant in the following subparagraph ;

(ii) Tenant shall receive any part of the award which represents compensation for the value of the then existing Improvements placed by Tenant on the Leased Premises as well as all compensation for Tenant's personal property and any moving expenses.

(b) In the event any portion of any Leased Premises is taken or condemned and such taking or condemnation materially interferes with Tenant's Permitted Use (as defined herein or as may then be currently conducted), Tenant shall have the right to terminate this Lease by providing written notice to Landlord within thirty (30) days of such condemnation or taking, whereupon, Base Rent shall cease as of such termination.

10. **Encumbrances.** After the Effective Date, Landlord shall not place or permit any encumbrance on title to the Land without the prior written consent of Tenant (which may not be unreasonably withheld, conditioned or delayed); provided, however, notwithstanding the foregoing, upon the request of Landlord, Tenant agrees to execute any instruments, subordinations or other documents that may be reasonably required by any mortgagee of Landlord for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage or deed of trust so long as such provides that Tenant's use, possession and enjoyment of the Leased Premises shall not be interfered with or adversely affected. Additionally, without the prior written approval of Tenant, which may be withheld in Tenant's sole discretion, Landlord shall have no right to use or grant to others any interest in or right to use any portion of the Leased Premises as any such rights are hereby conveyed to Tenant.

11. **Defaults.** An event of default by Tenant shall occur if one or more of the following events shall occur:

(i) If Tenant shall fail to pay Base Rent or any other amounts due to Landlord hereunder when due and such failure shall continue for a 10-day period after Landlord shall have given Tenant written notice of Tenant's failure to pay.

(ii) If Tenant shall fail to perform any of its other obligations under this Lease during the Initial Term and such failure shall continue for a 30-day period after Landlord shall have given Tenant written notice of its failure to perform. However, if Tenant's failure cannot reasonably be cured by Tenant within said 30-day period, an event of default shall not occur if Tenant commences to cure such failure within the 30-day period and diligently thereafter prosecutes the cure to completion during the Initial Term within a reasonable period of time after the 30-day period.

(iii) Tenant or any guarantor of this Lease becomes insolvent, files a petition for protection

under the U.S. Bankruptcy Code (or similar law) or a petition is filed against Tenant or any guarantor under such laws and is not dismissed within sixty (60) days after the date of such filing, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts when due.

12. **Assignment, Sublease or Mortgage.** Tenant may assign this Lease, in whole but not in part, or sublease all or any portion the Leased Premises, to an affiliate of Tenant without the consent of Landlord; provided, however, no assignment or sublease shall relieve Tenant of its obligations hereunder, and in the event of an assignment or sublease, Tenant shall provide Landlord with written notice thereof. Landlord shall have the absolute right to sell or otherwise transfer or mortgage or otherwise encumber all or any part of the fee estate of the Leased Premises; provided, however, any such sale, transfer or mortgage or other encumbrance arising or occurring after the Effective Date shall be made expressly subject to this Lease and all of Tenant's rights hereunder.

13. **Entire Lease .** This instrument constitutes the entire agreement and understanding between the parties hereto, and no representations except as herein expressly set forth have been made by any party to the other. This Lease cannot be modified or cancelled except in writing.

14. **Texas Law.** This Lease and the obligations of the parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Texas, and venue for any action brought hereunder shall be in any one of the counties in which a portion of the Leased Premises are situated.

15. **Successors and Assigns.** All covenants and agreements contained in this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

16. **Rule of Construction.** The parties acknowledge that each party and its counsel have reviewed this Lease, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any amendments or exhibits hereto.

17. **Severability.** If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

18. **Time is of the Essence.** Time is of the essence of this Lease.

19. **Counterparts.** This Lease may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

LANDLORD:

_____

By: _____

Name: _____

Date: _____

TENANT:

SUNDT, INC.

By: _____

Name: _____

Date: _____

EXHIBIT "A"
TO LEASE AGREEMENT DESCRIPTION OF THE LEASED PREMISES

EXHIBIT A

City of Corsicana

Leased Property Exhibit

Legend

- City Limits
- 10 Acre Lease
- Not Included in Lease

ITEM NO. 9

Date: October 10, 2016

Subject: **Appointments/Miscellaneous Business**

Comments: N/A

Recommendation: N/A

ITEM NO. 10

Date: October 10, 2016

Subject: **Reports and Miscellaneous Announcements**

Comments:
Mayor/Council

Items to Mention:

ITEM NO. **11 & 12**

Date: October 10, 2016

Subject: **Executive Session**

11. **EXECUTIVE SESSION:** The Council will recess into closed or executive session to receive attorney's advice on legal matters pursuant to Section 551.071 of the Texas Government Code.

12. **RETURN TO OPEN SESSION:** The Council will consider and act upon items discussed under Executive Session, as necessary.

Comments: N/A

Recommendation: N/A