

Mike Russ
Tanner Haydin
Ron Williams, Secretary



Bailey Acosta, Vice President
Lisa Hott
Lisa Leary

Steven Turney, President

**CITY OF JUSTIN
ECONOMIC DEVELOPMENT CORPORATION (TYPE A) AND COMMUNITY
DEVELOPMENT CORPORATION (TYPE B) AGENDA
MAY 16, 2024
415 N. COLLEGE AVE.
5:30 PM**

CALL TO ORDER

Convene into Session:
Invocation and Pledge of Allegiance
American Flag

Texas Flag: *"Honor the Texas Flag; I pledge allegiance to
thee, Texas, one state, under God, one and indivisible"*

INTRODUCTION OF GUESTS

CITIZEN COMMENTS FOR ITEMS NOT LISTED ON THE AGENDA

CONSENT ITEMS

1. Consider and act on meeting minutes from April 18, 2024.

DISCUSSION AND POSSIBLE ACTION ITEMS

The Boards reserve the right to act on any of the agenda items listed below.

2. Discuss, consider, and act regarding a Justin Town Square Performance Agreement with Office Equity Solutions.
3. Discuss, consider, and act on FY 23-24 EDC/CDC Budget Amendment.
4. Presentation and discussion regarding the monthly sales tax report.
5. Discuss, consider, and act regarding a lease agreement for 117 W. 4th Street, Justin, TX 76247.
6. Discussion regarding the FY 24-25 EDC/CDC Budgets.

EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas

Government Code. Deliberate commercial and financial information received from business prospects the Board seeks to locate, stay, or expand in the City; deliberate the offer of a financial or other incentive; with which businesses the Board is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code.

7. Discuss, consider, and act on items discussed in Executive Session.

FUTURE AGENDA ITEMS

ADJOURN

I, the undersigned authority, do hereby certify that the above notice of the meeting of the City Council of the City of Justin, Texas, is a true and correct copy of the said notice that I posted on the official bulletin board at Justin Municipal Complex, 415 North College Street, Justin, Texas, a place of convenience and readily accessible to the general public at all times, and said notice posted this 9th day of May by 5:00 p.m., at least 72 hours preceding the scheduled meeting time.

Abbey Reece

Abbey Reece, Assistant City Manager



Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
May 16, 2024
415 N. COLLEGE AVE.

Agenda Item: 1. (CONSENT ITEMS)

Title: Consider and act on meeting minutes from April 18, 2024.

Department: Administration

Contact: Abbey Reece

Recommendation:

Approve the minutes as presented.

Background:

City Attorney Review: No

Attachments:

1. document (3)

Mike Russ
Tanner Haydin
Ron Williams, Secretary



Bailey Acosta, Vice President
Lisa Hott
Lisa Leary

Steven Turney, President

MINUTES

**State of Texas
County of Denton
City of Justin**

Justin Economic Development Corporation (Type A) and Community Development Corporation (Type B) Regular Session Meeting - April 18, 2024

CALL TO ORDER

Convene into Session:
Invocation and Pledge of Allegiance
American Flag

Texas Flag: *“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state, under God, one and indivisible”*

President Steven Turney called the meeting to order at 5:30PM.

Present: Mike Russ, Bailey Acosta, Lisa Hott, Lisa Leary, and Steven Turney.

Absent: Ron Williams and Tanner Haydin

Staff: Assistant City Manager, Abbey Reece and Director of Development and Economic Development, Matt Cyr.

INTRODUCTION OF GUESTS

EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code. Deliberate commercial and financial information received from business prospects the Board seeks to have locate, stay, or expand in the City; deliberate the offer of a financial or other incentive; with which businesses the Board is conducting economic development negotiations pursuant to Section 551.087, Texas Government Code

1. Discuss, consider, and act on items discussed in Executive Session.

CITIZEN COMMENTS FOR ITEMS NOT LISTED ON THE AGENDA

CONSENT ITEMS

2. Consider and act on meeting minutes from March 21, 2024.

Board Member Acosta moved to Approve consent items as presented.

Seconded by: Board Member Leary

Aye Votes: Board member Turney, Board member Russ, and Board member Hott.

Motion passed.

DISCUSSION AND POSSIBLE ACTION ITEMS

The Boards reserve the right to act on any of the agenda items listed below.

3. Discuss, consider, and act regarding a Comprehensive Hotel Market Feasibility Study.

Board Member Acosta motioned to approve the CORE Hotel Feasibility study pending an EDC Budget Amendment in the amount of \$17,500 at the next meeting.

Seconded by: Board Member Leary

Aye Votes: Board member Turney, Board member Russ, and Board member Hott.

Motion passed.

REPORTS

4. Presentation and discussion regarding the monthly sales tax report.

Abbey Reece, Assistant City Manager, provided the monthly sales tax update.

FUTURE AGENDA ITEMS

ADJOURN

Board Member Russ motioned to adjourn the meeting at 6:09PM.

Seconded by: Board Member Hott.

All in favor. Motion passes.

Abbey Reece

Abbey Reece, Assistant City Manager

Seal:



Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
May 16, 2024
415 N. COLLEGE AVE.

Agenda Item: 2. (DISCUSSION AND POSSIBLE ACTION ITEMS)

Title: Discuss, consider, and act regarding a Justin Town Square Performance Agreement with Office Equity Solutions.

Department: Administration

Contact:

Recommendation:

Discuss and approve the agreement as presented contingent upon city council final approval.

Background:

Staff have discussed with the board the potential for increased restaurant space (almost 200%) by entering into a performance agreement with Office Equity Solutions for the Justin Town Square Development.

City attorneys have drafted the following agreement that includes the payment of \$300,000 over the span of two fiscal years for meeting the restaurant sq footage requirements. City staff will be finalizing the highlighted portions very soon.

A budget amendment for this agreement is the next item on the agenda.

City Attorney Review:

Attachments:

1. Justin Type AB Agreement - OES - infrastructure grant

AGREEMENT BETWEEN

**City of Justin Type A Economic Development Corporation,
City of Justin Type B Community Development Corporation,
and
Office Equity Solutions
for**

TRANSFER AND USE OF JUSTIN ECONOMIC DEVELOPMENT GRANT FUNDS

THIS ECONOMIC DEVELOPMENT AND INCENTIVE AGREEMENT (the “Agreement”), is made and entered into as of the ____ day of _____, 2024, by and between the **CITY OF JUSTIN ECONOMIC DEVELOPMENT CORPORATION** (the “EDC”), a Type A non-profit corporation organized under the Texas Development Corporation Act of 1979, the **CITY OF JUSTIN COMMUNITY DEVELOPMENT CORPORATION** (the “CDC”), a Type B non-profit corporation organized under the Texas Development Corporation Act of 1979, and **OFFICE EQUITY SOLUTIONS** (“Applicant”).

WHEREAS, Applicant and the City of Justin are collaborating the development of Justin Town Square (“JTS”), as that development project is known between the Parties.

WHEREAS, Applicant intends to construct a natural gas line through JTS (generally referred to herein as the “Project”) and has requested from the EDC and CDC a grant to be applied to partial cost of the Project.

WHEREAS, the Project, once completed, will offer multiple benefits to the City of Justin, including promoting more restaurant options in the City, creating the opportunity to provide natural gas to downstream commercial projects along Highway 156, accelerating the development of JTS and other downstream commercial projects, increasing the commercial tax base, and providing natural gas access to City owned property in JTS.

WHEREAS, Applicant has requested that the EDC and CDC authorize certain grants and consideration as provided herein (collectively referred to as the “Incentives”) with respect to the Project; and

WHEREAS, the primary income of the EDC and CDC is from sales tax collected within the City of Justin, that is dedicated to economic development and exists for the primary purpose of promoting economic development within the City of Justin and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City of Justin; and

WHEREAS, for the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce, and stimulating business and commercial activity in the State of Texas, Denton County, and the City of Justin, the EDC and CDC desire to offer the Incentives to Applicant as more particularly described in this Agreement; and

WHEREAS, the Agreement and Incentives are authorized by, and in accordance with Texas Development Corporation Act of 1979; and

NOW, THEREFORE, for and in consideration of the promises, covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the EDC, CDC, and Applicant (collectively, the “Parties”) agree as follows:

Section I. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I.

Section II. Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“CDC” shall mean the City of Justin Economic Development Corporation, a non-profit corporation organized under the Texas Development Corporation Act of 1979, now codified at Chapters 501 - 505 of the Texas Local Government Code, as amended (hereinafter the “Act”), and supported by sales tax collected within the City of Justin and dedicated to economic development, authorized as a local option under Section 4B of the Act, with a primary purpose of promoting economic development within the City of Justin and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City of Justin.

“CDC Payments” shall mean any payments from the CDC to Applicant pursuant to this Agreement as all or a portion of the Economic Development Grant, the total of which shall not exceed the maximum dollar amount of the CDC Economic Development Grant as stated herein.

“CDC Economic Development Grant” shall mean the agreed total payment to be made by the CDC to Applicant pursuant to this Agreement, the amount of which shall not exceed \$150,000, the purpose of which is for parking facilities and infrastructural improvements intended to promote or develop new or expanded business enterprises.

“EDC” shall mean the City of Justin Economic Development Corporation, a non-profit corporation organized under the Act, and supported by sales tax collected within the City of Justin and dedicated to economic development, authorized as a local option under Section 4A of the Act, with a primary purpose of promoting economic development within the City of Justin and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City of Justin.

“EDC Payments” shall mean any payments from the EDC to Applicant pursuant to this Agreement as all or a portion of the Economic Development Grant, the total of which shall not exceed the maximum dollar amount of the EDC Economic Development Grant as stated herein.

“EDC Economic Development Grant” shall mean the agreed total payment to be made by the EDC to Applicant pursuant to this Agreement, the amount of which shall not exceed \$150,000 the purpose of which is for the construction of a natural gas line in the JTS to promote or develop new or expanded business enterprises.

“Effective Date” shall mean _____, 2024.

“Force Majeure” shall mean any delays due to fire, explosion, vandalism, storm or similar occurrences, supplier failures, shortages or breach or delay, unusual weather events, unusual delays in obtaining City approvals, strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals or orders, epidemics, pandemics, medical threats to the public, quarantines laws, regulations, or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, or other charges by the City of Justin.

“Public Infrastructure Improvements” shall mean the construction in accordance with City of Justin ordinances and dedication of certain public utility improvements for the Project, more specifically described in Exhibit "A".

Section III. The Project.

[detailed description of project].

Section IV. Economic Incentives and Performance Requirements

In consideration of and subject to the Applicant meeting all the conditions contained herein, the EDC and CDC agree to provide the following incentives.

- A. Subject to the conditions provided for herein, the EDC agrees to provide Applicant a maximum total incentive amount of up to \$150,000 and the CDC agrees to provide Applicant a maximum total incentive amount of up to \$150,000. Applicant’s grant of incentives will be paid as follows:
 - i. EDC Payments. Within sixty (60) days following the execution of this Agreement, EDC will transfer \$75,000 of the EDC Economic Development Grant to Applicant. EDC will transfer the remaining \$75,000 balance to Applicant within sixty (60) days after October 1, 2024.
 - ii. CDC Payments. Within sixty (60) days following the execution of this Agreement, CDC will transfer \$75,000 of the CDC Economic Development Grant to Applicant. CDC will transfer the remaining \$75,000 balance to Applicant within sixty (60) days after October 1, 2024.
- B. Should Applicant fail to meet the Performance Standards set forth in Section V, then Applicant shall repay all, or portions, of the CDC and EDC Payments pursuant to Section V.

Section V. Conditions to the Grants

- A. Performance Standards

- i. On or before July 1, 2033, Applicant shall construct within JTS a minimum of 39,000 rentable square feet (“RSF”) of restaurant space (the “Target Restaurant SF”) and lease, or sell, such space to restaurant operators that open as documented by a certificate of occupancy issued by the City of Justin.
- ii. The RSF for certain uses is limited as follows:
 - a. No more than 7,500 square feet for cafes, coffee shops, and bakeries; and
 - b. No more than 5,000 square feet for fast food/quick-service restaurants.
- iii. All initial restaurant tenants secured via lease must agree to lease terms of at least five years.

B. Recovery of Incentives

- i. If the Applicant fails to meet the Performance Standards set forth in subsection A by July 1, 2033, or by any permitted extension thereof (the “Deadline”), the EDC and CDC are entitled to recover up to \$240,000 from Applicant, prorated as follows:
 - a. For each RSF under 39,000 that is actually achieved by the Applicant on the Deadline, the Applicant shall repay to EDC and CDC \$6.15 per RSF, divided evenly, within 90 days of the Deadline.
 - b. Applicant may offset any repayment due under subsection (a) up to a maximum of \$75,000 at the rate of \$1.60 per RSF of space that has a CO that is not restaurant use.
 - c. Notwithstanding subsections (a) and (b), if Applicant fails to achieve at least 20,000 square feet of the Applicant’s obligations set forth in the Performance Standards by the Deadline, the Applicant shall repay to the EDC and CDC \$240,000, divided evenly, within 90 days of the Deadline.

C. This Agreement shall terminate upon any one of the following:

- i. by written agreement of the parties;
- ii. by EDC or CDC, if any Impositions owed to the City of Justin by Applicant shall become delinquent (provided, however the Applicant retains the right to properly protest any such Impositions); or
- iii. by EDC or CDC, 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.

- B. All incentives provided for herein are wholly subject to Applicant's compliance with the terms and conditions of this Agreement.

Section VI. Term/Extension

- A. Term. This Agreement shall become effective upon the Effective Date and shall end upon satisfaction of all contractual terms of this Agreement as set forth in Subsection B.
- B. Satisfaction of terms. The Agreement is considered fulfilled upon:
- i. Applicant's successful completion of the Performance Standards of Section V.A.; or
 - ii. Applicant's reimbursement of incentive payments as set forth in Section V.B.
- C. Extension. Applicant may seek a two-year extension on the deadline to fulfill the Performance Standards set forth in Section V. Such extension request will be approved by the City Council through a resolution, following a recommendation from both the EDC and CDC if the Applicant has met the following minimum requirements:
- i. the natural gas line has been constructed substantially as shown in the attached Exhibit A; and
 - ii. a minimum of 20,000 square feet of the Target Restaurant SF has been achieved.

Section VII. Miscellaneous

- A. Construction of the Project shall comply with all applicable local, state, and federal codes, regulations, and ordinances.
- B. All uses of the developed spaces must comply with the Planned Development regulations and procedures.
- C. This Agreement does not supersede any City of Justin zoning regulations, ordinances, or other requirements.
- D. This Agreement may not be assigned, transferred, conveyed, or exchanged by either party without the written consent of the other party. In the event of an approved assignment, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- E. The individuals executing this Agreement on behalf of the respective parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears.

- F. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- G. If any provision 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 any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- H. Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its legal counsel.
- I. The Applicant agrees to and does hereby indemnify, defend and hold the City of Justin, CDC, and EDC, its employees, representatives and agents, (collectively, the “Indemnified Parties”) harmless of and from all losses, costs, claims, damages, injury, expense or liability (including, without limitation, reasonable attorneys’ fees and court costs and expenses) arising by reason of injury to or death of persons, damage to property, or claims for work performed on the Project, provided that Applicant shall not be required to indemnify, defend or hold the Indemnified Parties harmless from the Indemnified Parties’ gross negligence or intentional misconduct. This indemnity provision shall survive expiration, termination, or cancellation of this Agreement.
- J. To the extent permitted by State law, no employee or official of the City of Justin, CDC, or EDC shall be personally responsible for any liability arising under or growing out of this Agreement.
- K. Texas Law. This Agreement shall be construed in accordance with the laws of the State of Texas, and any actions concerning this Agreement shall be brought in either the Texas State District Courts of Denton County, Texas, or the United States District Court for the Northern District of Texas.
- L. Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be:
 - i. Delivered personally, with a receipt requested therefore, or
 - ii. Sent by telecopy facsimile; or
 - iii. Sent by a nationally recognized overnight courier service; or
 - iv. Delivered by United States registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the Parties at their respective addresses set forth below, and shall be effective:
 - (a) upon receipt or refusal if delivered personally or by telecopy facsimile;

- (b) one business day after depositing with such an overnight courier service; or
- (c) two business days after deposit in the United States Postal Service, if mailed.

A Party may change its address for receipt of notices by service of a notice of such change in accordance with this Section. All notices by telecopy facsimile shall be subsequently confirmed by U.S. certified or registered mail, return receipt requested.

If to the EDC: EDC
XXX

with a copy to: Boyle & Lowry, L.L.P.
4201 Wingren, Suite 108
Irving, Texas 75062-2763
Attn: Matthew Boyle
Fax: (972) 650-7105

If to the CDC: CDC
XXX

with a copy to: Boyle & Lowry, L.L.P.
4201 Wingren, Suite 108
Irving, Texas 75062-2763
Attn: Matthew Boyle
Fax: (972) 650-7105

If to Applicant: XXX

with a copy to: XXX

- M. Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

[Signature pages to follow]

IN WITNESS WHEREOF, the EDC, the CDC, and Applicant have authorized and caused this Agreement to be executed and delivered on this the ____ day of _____, 2024.

**THE CITY OF JUSTIN ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Chairperson

ATTEST:

EDC Secretary

APPROVED AS TO FORM:

EDC Attorney

**THE CITY OF JUSTIN ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Chairperson

ATTEST:

EDC Secretary

APPROVED AS TO FORM:

EDC Attorney

[BUSINESS]

By: _____

Title: _____



Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
May 16, 2024
415 N. COLLEGE AVE.

Agenda Item: 3. (DISCUSSION AND POSSIBLE ACTION ITEMS)

Title: Discuss, consider, and act on FY 23-24 EDC/CDC Budget Amendment.

Department: Administration

Contact:

Recommendation:

Approve the budget amendments as presented contingent upon city council approval.

Background:

There are two budget amendments included in this packets.

The EDC one includes the hotel feasibility study and a split payment for the Justin Town Square Performance Agreement.

The CDC one includes the split payment for the Justin Town Square Performance Agreement.

City Attorney Review:

Attachments:

1. FY 23-24 EDC CDC Budget Amendment

ACCOUNT NUMBER	Description	FY 23-24 ORIGINAL BUDGET	FY 23-24 AMENDED BUDGET	\$ CHANGE
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EDC

235-7520-xxxxxx	Transfer to Fund Balance	\$ 172,028	\$ 79,528	\$ (92,500)
235-7520-626183	CONSULTING SERVICES	\$ 500	\$ 18,000	\$ 17,500
235-7520-670010	INCENTIVE PROJECTS	\$ 100,000	\$ 175,000	\$ 75,000

Total -

**BUDGET AMENDMENT
FY 2022-2023
Amended Expenditures**

ACCOUNT NUMBER	Description	FY 23-24 ORIGINAL BUDGET	FY 23-24 AMENDED BUDGET	\$ CHANGE
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CDC

236-7530-xxxxxx	Transfer to Fund Balance	\$ 140,110	\$ 65,110	\$ (75,000)
236-7530-670010	INCENTIVE PROJECTS	\$ 100,000	\$ 175,000	\$ 75,000

Total				-
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Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
May 16, 2024
415 N. COLLEGE AVE.

Agenda Item: 4. (DISCUSSION AND POSSIBLE ACTION ITEMS)

Title: Presentation and discussion regarding the monthly sales tax report.

Department: Administration

Contact:

Recommendation:

Discussion only.

Background:

We saw a sales tax increase of 8.83% for the month of February compared to this time last year.

City Attorney Review:

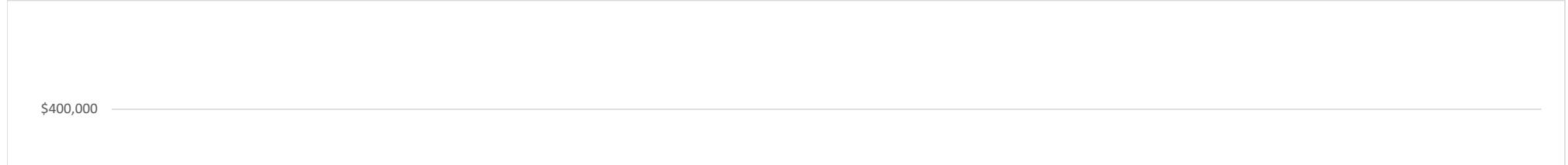
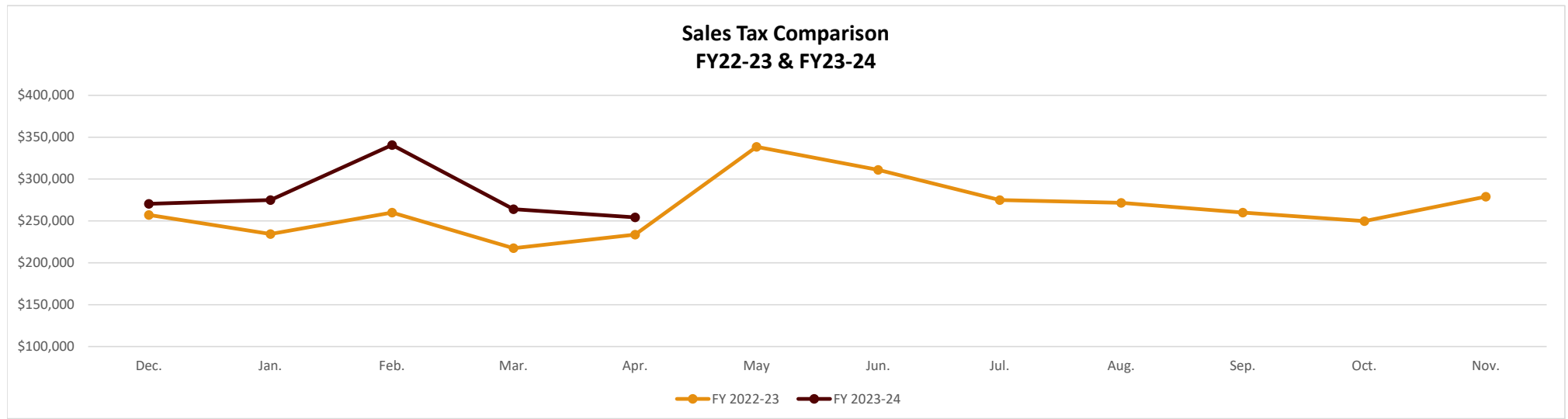
Attachments:

1. Justin Sales Tax Database FY23-24
2. Justin Sales Tax Database FY23-24

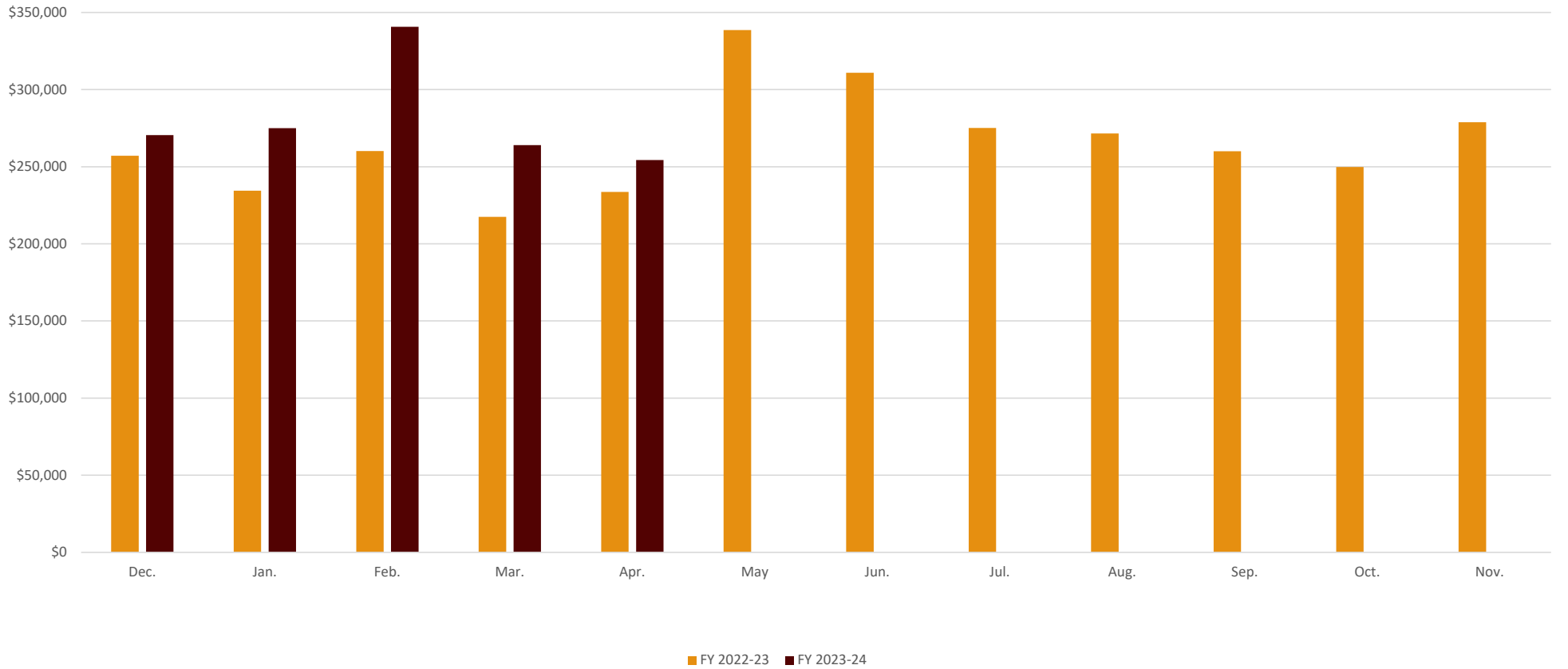
**City of Justin
Sales Tax FY21-22**

Year	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Annual Collection	Mo. Avg
FY 2015-16	\$90,438	\$83,135	\$111,603	\$86,301	\$80,019	\$110,238	\$93,782	\$96,705	\$109,548	\$78,827	\$95,887	\$105,400	\$1,141,885	\$95,157
FY 2016-17	\$104,571	\$88,095	\$114,278	\$79,305	\$75,328	\$108,527	\$93,125	\$91,023	\$142,055	\$98,252	\$73,689	\$96,918	\$1,165,165	\$97,097
FY 2017-18	\$85,685	\$87,234	\$114,062	\$83,229	\$85,867	\$100,870	\$85,292	\$89,806	\$106,725	\$115,412	\$96,065	\$99,217	\$1,149,464	\$95,789
FY 2018-19	\$95,522	\$93,386	\$114,834	\$93,086	\$80,323	\$106,059	\$99,138	\$104,745	\$127,960	\$207,041	\$26,707	\$209,837	\$1,358,637	\$113,220
FY 2019-20	\$166,481	\$148,460	\$113,762	\$138,996	\$62,609	\$125,525	\$111,978	\$130,444	\$159,833	\$187,431	\$88,504	\$151,006	\$1,585,027	\$132,086
FY 2020-21	\$141,557	\$158,793	\$174,602	\$124,882	\$148,747	\$180,010	\$169,570	\$173,504	\$193,730	\$167,830	\$175,030	\$194,120	\$2,002,375	\$166,865
FY 2021-22	\$191,375	\$206,023	\$245,312	\$195,711	\$172,091	\$274,203	\$226,366	\$231,202	\$277,656	\$230,780	\$202,712	\$267,596	\$2,721,027	\$226,752
FY 2022-23	\$257,055	\$234,399	\$260,095	\$217,438	\$233,635	\$338,523	\$310,916	\$275,061	\$271,589	\$260,072	\$249,801	\$278,900	\$3,187,483	\$265,624
Yr/Yr	34.32%	13.77%	6.03%	11.10%	35.76%	23.46%	37.35%	18.97%	-2.18%	12.69%	23.23%	4.22%	17.14%	18.23%

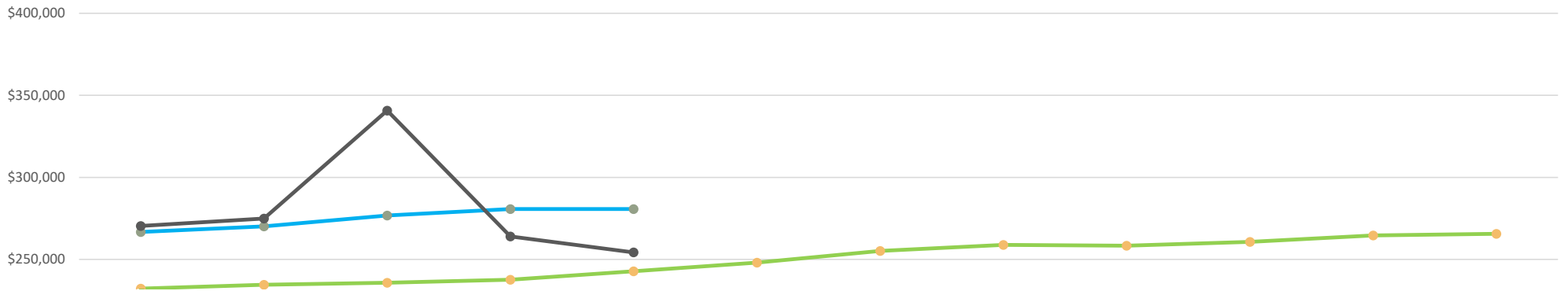
FY 2023-24	\$270,433	\$274,988	\$340,747	\$264,013	\$254,268.80									
Yr/Yr	5.20%	17.32%	31.01%	21.42%	8.83%								0.00%	16.76%
FY22-23														
12Mo. Avg	\$232,226	\$234,590	\$235,822	\$237,633	\$242,761	\$248,121	\$255,167	\$258,822	\$258,317	\$260,758	\$264,682	\$265,624	\$2,994,522	\$249,543
FY23-24														
12Mo. Avg	\$266,738	\$270,121	\$276,842	\$280,723	\$280,723								\$0	\$275,029



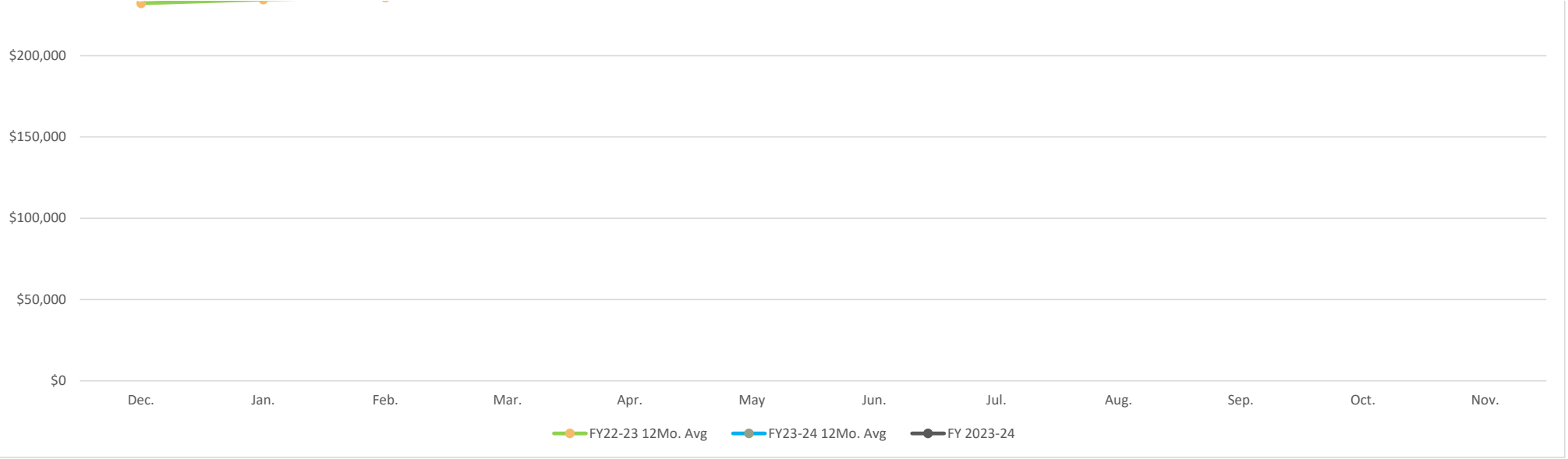
**City of Justin
Sales Tax FY21-22**



**Year Over Year
with 12 Month Average**



City of Justin
Sales Tax FY21-22





Economic Development Corporation (Type A) and Community Development Corporation (Type B)
Coversheet
May 16, 2024
415 N. COLLEGE AVE.

Agenda Item: 5. (DISCUSSION AND POSSIBLE ACTION ITEMS)

Title: Discuss, consider, and act regarding a lease agreement for 117 W. 4th Street, Justin, TX 76247.

Department: Administration

Contact:

Recommendation:

Approve the lease agreement as presented contingent upon the passing of a building inspection.

Background:

The EDC currently owns a building on 4th Street that is being leased by 1st on Threads. They would like to continue in this location. I have attached the renewal documents. Monthly lease rate is proposed for an increase of \$100 month for a total of \$2,100.00.

If the board approves, we will have our city building official do a commercial building inspection on the site.

City Attorney Review:

Attachments:

1. Commercial Lease Addendum for Extension Option - 2024
2. IABS 2024



COMMERCIAL LEASE ADDENDUM FOR EXTENSION OF TERM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2010

ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 117 W 4th St, Justin, TX 76247

- A. At Tenant's option, Tenant may extend the term of above-referenced lease for 1 additional term(s) of 12 months each. The first additional term commences upon the expiration of the term stated in the lease and any subsequent additional term commences upon the expiration of the then applicable extended term.
- B. Tenant may exercise Tenant's option(s) to extend under Paragraph A only by providing written notice to Landlord at least 30 days before the end of the then current term of the lease.
- C. Tenant may not exercise Tenant's option(s) to extend under Paragraph A if the lease is terminated before Tenant exercises its option to extend or Tenant is in breach of the lease at the time Tenant exercises its option to extend.
- D. During the additional term(s), all provisions of the lease will continue as in effect immediately before the extension(s) commences except the base monthly rent during the additional term(s) will be:
(Check (1), (2) or (3) only.)

X (1)	Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
	From	To	\$ Monthly Rate	\$ Annual Rate	
	07/01/2024	06/30/2025	/rsf/month	/rsf/year	2,100.00
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	

- ☐ (2) adjusted to reflect increases in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items", issued by the Bureau of Labor Statistics of the U.S. Department of Labor. The adjustment will be determined by multiplying the base monthly rent for the last month of the lease by the following fraction: (i) the numerator will be the published index number for January in the year the additional term commences; and (ii) the denominator will be the published index number for January in the year in which the original lease term commences.
- ☐ (3) the prevailing rental rate on the 45th day before the additional term commences for premises of comparable size, quality, condition, improvements, utility, location, and length of term for tenant's of similar credit standing as Tenant.
- E. If Paragraph D(3) applies and the parties do not agree on the amount of the prevailing rental rate for the additional term before the 30th day before the additional term commences, each party will employ a state-certified appraiser and deliver the appraiser's written opinion of the prevailing rental rate to the other

party not later than the 15th day before the additional term commences. If the appraisers' opinions do not vary by more than 10%, the prevailing rental rate will be the average of the two opinions. If the appraisers' opinions vary by more than 10%, the appraisers will jointly select a third appraiser whose fees will be shared equally by the parties. If a third appraiser is engaged, the prevailing rental rate will be the average of the two opinions that are closest in amount. If either party fails to employ or timely deliver an appraiser's opinion as required by this paragraph, the opinion rendered by the appraiser employed by the other party will determine the prevailing rental rate.

F. Special Provisions:

Landlord: Justin Economic Development Corporation

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

Tenant: 1st On Threads Custom Embroidery & Screen Printing

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____



Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Contre Management llc	9014421	chrissa@contrerealty.com	(817)798-9118
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Chrissa Hartle	0677556	chrissa@contrerealty.com	(817)798-9118
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

TXR-2501

Insight Realty Network, 709 Cypress St Argyle TX 76226
Chrissa Hartle

Information available at www.trec.texas.gov

IABS 1-0 Date

City of Justin EDC

Phone: 8177989118

Fax:

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Fund: 235 - SPLOST EDC

Fund: 235 - SPLOST EDC		FY2020-2021		FY2021-2022		2022-2023		2023-2024		2024-2025	
				Budget		Budget		Budget		Proposed	
ExpCategory: 620 - PURCHASED/CONTRACTED SERVICES											
235-7520-623330	ERRORS & OMISSIONS	\$	-	\$	170	\$	200	\$	200	\$	200
235-7520-626105	ACCOUNTING/AUDIT	\$	-	\$	4,000	\$	4,000	\$	4,000	\$	4,000
235-7520-626110	ADVERTISING/LEGAL NOTICE	\$	1,250	\$	23,869	\$	34,648	\$	10,000	\$	10,000
235-7520-626120	PROFESSIONAL FEES	\$	24,505	\$	-	\$	-	\$	-	\$	-
235-7520-626183	CONSULTING SERVICES	\$	-	\$	200	\$	100	\$	500	\$	2,000
235-7520-626335	WEBSITE	\$	3,000	\$	3,000	\$	-	\$	-	\$	-
235-7520-626350	ATTORNEY FEES	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-626360	REAL & PERSONAL PROPERTY	\$	(142)	\$	142	\$	200	\$	200	\$	200
235-7520-626365	CITY STAFFING SERVICES	\$	18,000	\$	18,000	\$	18,000	\$	18,000	\$	18,000
Subtotal		\$	46,613	\$	49,381	\$	57,148	\$	32,900	\$	34,400
ExpCategory: 630 - SUPPLIES - OPERATIONAL & MAINT.											
235-7520-636330	BANK FEES	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-636550	BOARD MEETING	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-636585	POSTAGE	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-636615	UNIFORMS	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-636700	TRAVEL & TRAINING	\$	120	\$	1,000	\$	500	\$	500	\$	500
235-7520-636710	DUES, MEMBERSHIP & PUBLICATION	\$	3,520	\$	3,250	\$	3,750	\$	3,750	\$	3,750
Subtotal		\$	3,640	\$	4,250	\$	4,250	\$	4,250	\$	4,250
ExpCategory: 680 - Capital Outlay & Debt Service											
235-7520-670010	INCENTIVE PROJECTS	\$	-	\$	-	\$	75,000	\$	100,000	\$	200,000
235-7520-670015	DOWNTOWN PARKING PROJECT	\$	-	\$	-	\$	-	\$	-	\$	-
235-7520-677000	DEBT SERVICE - PRINCIPAL	\$	70,000	\$	70,000	\$	75,000	\$	75,000	\$	75,000
235-7520-677005	DEBT SERVICE - INTEREST	\$	13,031	\$	11,498	\$	9,965	\$	9,965	\$	9,965
Subtotal		\$	83,031	\$	81,498	\$	159,965	\$	184,965	\$	284,965
Total		\$	133,284	\$	135,129	\$	221,363	\$	222,115	\$	323,615

Revenue \$ 468,122

To Fund Balance \$ 144,507

Fund: 236 - SPLOST CDC

		FY2020-2021	FY2021-2022	2022-2023	2023-2024	2024-2025
		Budget	Budget	Budget	Budget	Proposed
ExpCategory: 620 - PURCHASED/CONTRACTED SERVICES						
236-7530-626105	ACCOUNTING/AUDIT	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
236-7530-626110	ADVERTISING/LEGAL NOTICE	\$ 1,250	\$ 23,869	\$ 34,648	\$ 10,000	\$ 10,000
236-7530-626120	CONSULTING SERVICES	\$ 39,255	\$ -	\$ -	\$ 500	\$ 2,000
236-7530-626330	ERRORS & OMISSIONS	\$ -	\$ 170	\$ 200	\$ 200	\$ 200
236-7530-626335	WEBSITE	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -
236-7530-626360	CITY STAFFING SUPPORT	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
	Subtotal	\$ 61,505	\$ 49,039	\$ 56,848	\$ 32,700	\$ 34,200
ExpCategory: 630 - SUPPLIES - OPERATIONAL & MAINT.						
236-7530-636550	BOARD MEETING	\$ -	\$ -	\$ -	\$ -	\$ -
236-7530-636585	POSTAGE	\$ -	\$ -	\$ -	\$ -	\$ -
236-7530-636700	TRAVEL & TRAINING	\$ 175	\$ 1,000	\$ 500	\$ 500	\$ 500
236-7530-636710	DUES, MEMBERSHIP & PUBLICATION	\$ 3,520	\$ 3,250	\$ 3,750	\$ 3,750	\$ 3,750
	Subtotal	\$ 3,695	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
ExpCategory: 640 - CAPITAL OUTLAYS						
236-7530-647030	COMPUTER HARDWARE/SOFTWARE	\$ -	\$ -	\$ -	\$ -	\$ -
236-7530-647070	PROPERTY ENHANCEMENT GRANT	\$ 5,500	\$ 5,500	\$ -	\$ -	\$ -
	Subtotal	\$ 5,500	\$ 5,500	\$ -	\$ -	\$ -
ExpCategory: 680 - Capital Outlay & Debt Service						
236-7530-670010	INCENTIVE PROJECTS	\$ -	\$ -	\$ 75,000	\$ 100,000	\$ 200,000
236-7530-670015	STREET CONSTRUCTION PROJECT	\$ -	\$ -	\$ 50,000	\$ -	\$ -
236-7530-677000	DEBT SERVICE - PRINCIPAL	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
236-7530-677005	DEBT SERVICE - INTEREST	\$ 21,353	\$ 19,382	\$ 17,411	\$ 17,411	\$ 17,411
	Subtotal	\$ 111,353	\$ 109,382	\$ 232,411	\$ 207,411	\$ 307,411
	Total	\$ 182,053	\$ 168,171	\$ 293,509	\$ 244,361	\$ 345,861

Revenue \$ 468,122

To Fund Balance \$ 122,261