

**REIMBURSEMENT AGREEMENT AMONG THE CITY OF SAN ANTONIO, TEXAS;
CENTRO SAN ANTONIO; AND
THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER THIRTY-ONE,
CITY OF SAN ANTONIO, TEXAS**

This Reimbursement Agreement (“Agreement”), pursuant to Ordinance No. 2016-____-____, passed and approved on the ____ day of _____, 2016 is entered into by and between the City of San Antonio, a Texas municipal corporation in Bexar County, Texas (the “City”), Centro San Antonio, a Texas non-profit corporation (“Centro”), and the Board of Directors for Reinvestment Zone Number Thirty-One, City of San Antonio, Texas, a tax increment reinvestment zone (the “Board”).

BACKGROUND:

WHEREAS, the City recognizes the importance of its continued role in economic development, community development, planning and urban design; and

WHEREAS, on December 11, 2008, the City Council through Ordinance No. 2008-12-11-1134 designated the Midtown TIRZ, pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (as amended, hereinafter called the “Act”), the City created Reinvestment Zone Number Thirty-One, City of San Antonio, Texas (“Zone”) in accordance with the Act, to promote development and redevelopment of the Zone through the use of tax increment financing, in which development and redevelopment would not otherwise occur solely through private investment in the reasonably foreseeable future, and established a Board of Directors for the Zone; and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality establishing a reinvestment zone, for costs of public works or public improvements in the reinvestment zone, plus other costs incidental to those expenditures and obligations, consistent with the Project Plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in Section 311.002(1) of the Act (“Project Costs”); and

WHEREAS, in accordance with the Act, the City created the Board and authorized the Board to exercise all the rights, powers, and duties as provided to such boards under the Act or by action of the City Council; and

WHEREAS, Centro is in the process of conducting a concept development for the design, street improvements and configuration of Broadway Street (“Broadway”) within the Zone for a total cost of one hundred and seventy-five thousand dollars (\$175,000.00); and

WHEREAS, at its meeting of February 26, 2016, the Board approved the commitment of up to eighteen thousand dollars (\$18,000.00) of Zone funds and the negotiation of a Reimbursement Agreement to engage and pay Centro to contract for a traffic study for the upper section of Broadway (“Traffic Study”); and

WHEREAS, the Board approved this Reimbursement Agreement at its meeting of _____, 2016; and

WHEREAS, by Ordinance Number 2016- - - - - passed on the _____ day of _____, 2016, the City Council authorized the City Manager of the City of San Antonio or her designated representative to execute this Agreement on behalf of the City, and to bind the City to the terms and conditions of this Agreement; and

WHEREAS, pursuant to said authority above, the Board, the City and Centro each enters into a binding agreement with the others to ensure that Centro be reimbursed for costs that it will incur for the Traffic Study; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, the City, the Board, and Centro agree as follows:

I. DEFINITIONS

- 1.1 The "City" and the "Board" shall have the meanings specified above.
- 1.2 "Act" means the Tax Increment Financing Act, Texas Tax Code Chapter 311, as it may be amended from time to time.
- 1.3 "Agreement" means this document by and among the City, the Board, and Centro.
- 1.4 "Available Tax Increment Funds" means the Tax Increment contributed by the City to the fund established and maintained by the City for the purpose of implementing the projects of the Zone less the City's administrative costs.
- 1.5 "Centro" shall have the meaning specified above.
- 1.6 "City Manager" means the City Manager of the City or her designee.
- 1.7 "City Code" means the City Code of the City of San Antonio, as amended.
- 1.8 "Effective Date" means the date that the last party signs this Agreement.
- 1.9 "Financing Plan" means the final Reinvestment Zone Financing Plan as defined in the Act, as approved and as may be amended from time to time by the Board and the City Council.
- 1.11 "Project" has the meaning specified in paragraph 3.1 of this Agreement, and as may be more specifically detailed in the Project Plan.
- 1.12 "Project Costs" has the meaning provided by Section 311.002(1) of the Act and includes professional service costs.

1.13 "Project Plan" means the final Project Plan as defined in the Act, as approved and as may be amended from time to time by the Board and the City Council.

1.14 "Tax Increment" has the meaning assigned by Section 311.012 of the Texas Tax Code, and applies only to taxable real property within the Zone.

1.15 "TIF" means Tax Increment Financing.

1.16 "TIF Fund" means the tax increment fund created by the City for the deposit of Tax Increments for the Zone, entitled "Reinvestment Zone Number Thirty-One, City of San Antonio, Texas Tax Increment Fund."

1.17 "TIF Unit" means the employees of the City responsible for the management of the City's TIF Program.

1.18 "Zone" means Tax Increment Reinvestment Zone Number Thirty-One, City of San Antonio, Texas.

Singular and Plural: Words used herein in the singular, where the context so permits, also include the plural and vice versa, unless otherwise specified.

Gender: The gender of the wording throughout this Agreement shall always be interpreted to mean either sex.

II. REPRESENTATIONS

2.1 **City's Authority.** The City represents to Centro that as of the Effective Date the City is a home rule municipality located in Bexar County, Texas, and has authority to carry out the obligations contemplated by this Agreement.

2.2 **Board's Authority.** The Board represents to Centro that as of the date of the Board's signature to this document the Zone is a Tax Increment Reinvestment Zone established by the City and that the City and the Board have authority to carry on the functions and operations contemplated by this Agreement.

2.3 **Centro's Authority and Ability to Perform.** Centro represents to the City and to the Board that Centro is a Texas non-profit corporation; that Centro has been authorized by its governing body to enter into this Agreement and to perform the requirements of this Agreement; that Centro's performance under this Agreement shall not violate any applicable judgment, order, law or regulation; that Centro's performance under this Agreement shall not result in the creation of any claim against the City for money or performance, any lien, charge, encumbrance or security interest upon any asset of the City or the Board, except that this Agreement shall constitute a claim against the TIF Fund only from Available Tax Increment Funds to the extent provided herein; and that Centro shall have access to sufficient capital to perform all of its obligations under this Agreement when it needs to have said capital.

2.4 All Consents and Approvals Obtained. The City, the Board and Centro represent each to the others that the execution, delivery, and performance of this Agreement on its part does not require consent or approval of any person that has not been obtained.

2.5 Reasonable Efforts of all Parties. The City, the Board and Centro represent each to the others that they shall make reasonable efforts to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their cooperation.

2.6 Centro Bears Risk of Reimbursement. Centro shall bear all risks associated with reimbursement.

2.7 Not an Obligation of the General Fund. Centro represents that it understands that any contributions made by Centro in anticipation of reimbursement from tax increment shall never be obligations of the general fund of the City, but only obligations of the TIRZ Fund.

III. THE PROJECT

3.1 The Project. The project is the Traffic Study of portions of upper Broadway from Hildebrand to Mulberry and shall include the following:

- A. Traffic Count Data
- B. Field Data
- C. Utilize Existing Synchro Network Files as May Be Available
- D. Develop Future Volume Projections and No Bid Synchro
- E. Build Base Mapping For Upper Broadway
- F. Use Available Traffic Data to Develop Concept Schematic Layout

3.2 Financing. The cost of the Project shall be funded through the use of Centro's own capital or through credit secured solely by Centro. The City and the Board pledge to use Available Tax Increment Funds, up to the maximum amount provided herein, to reimburse Centro for eligible Project Costs it has expended.

3.3 Reimbursement. The total payment to Centro from the TIRZ Fund will not exceed eighteen thousand dollars (\$18,000.00). The parties hereto agree that neither the City nor the Board can guarantee that those Available Tax Increment Funds shall completely reimburse Centro, but that those Available Tax Increment Funds shall constitute the total reimbursement to Centro for completion of the Project. The Board has authorized staff to include the Project in the Project Plan and the Finance Plan of the TIRZ.

IV. TERM

4.1 The term of this Agreement shall commence on the Effective Date and end on the date which is the earlier to occur of the following: (i) the date Centro receives final reimbursement for completing the Project; (ii) the date this Agreement is terminated as provided in Article VIII; or (iii) termination of the Midtown TIRZ.

V. DUTIES AND OBLIGATIONS OF CENTRO

5.1 Duty to Complete. Centro agrees to complete, or cause to be completed, the Project by September 30, 2016. Centro shall provide the City with a copy of the Project no later than October 31, 2016. The Director of Planning may extend these dates in writing without formal amendment of this Agreement.

5.2 Supervision of the Project. Centro agrees to retain and exercise supervision over the Project.

5.3 Reporting. Centro shall submit copies of all invoices received for work performed on the Project and copies of all Centro payments for such invoices to the TIF Unit before being reimbursed from the TIRZ Fund for the Project.

5.4 Duty to Cooperate. Centro shall cooperate with the City and the Board in providing all necessary information to the City and to the Board in order to assist the City and the Board in determining Centro's compliance with this Agreement.

VI. DUTIES AND OBLIGATIONS OF CITY AND BOARD

6.1 Pledge of Funds. Subject to the terms and conditions of this Agreement and termination of the Zone, the City and the Board pledge Available Tax Increment Funds to Centro, up to the maximum total amount specified in this Agreement.

VII. COMPENSATION TO CENTRO

7.1 Obligation Accrues as Increment is Collected. Without waiving the City's obligations to diligently pursue the collection thereof, the City's obligation to contribute its Tax Increment payments to the TIF Fund shall accrue as the City collects its Tax Increment. The City agrees to deposit its Tax Increment payments in the TIF Fund upon availability.

7.2 Maximum Compensation to Centro. Following the Board's authorizations, Centro shall receive total reimbursements for the Project of a maximum of eighteen thousand dollars (\$18,000.00), as full reimbursement for the Project.

7.3 Processing of Payment Requests. Board-authorized reimbursements of Available Tax Increment Funds shall be made to Centro within thirty (30) days if funds are available for disbursement or otherwise within thirty (30) days after deposit of a Tax Increment payment to the TIRZ Fund, if Centro is in compliance with laws, statutes, ordinances and the requirements of this Agreement. Any reimbursement is subject to City staff approval to ensure compliance with this Agreement.

7.4 Available Tax Increment Funds. The sole source of the funds to reimburse Centro for Project Costs shall be the Available Tax Increment Funds levied and collected on the Zone and contributed by the City to the TIRZ Fund.

7.5 Order or Priority of Payment. Priority of Payment will be made in the order listed in the Midtown Tax Increment Reinvestment Zone Thirty-one Amended Project Plan, City Council Approved, December 13, 2012.

7.6 Partial Payments. If Tax Increment funds do not exist in an amount sufficient to make payments in full when the payments are due under this Agreement, partial payment shall be made in the order of priority above, and the remainder shall be paid as Tax Increment funds become available. No fees, costs, expenses or penalties shall be paid to any party on any late payment.

VIII. DEFAULT AND TERMINATION

8.1 In the event that Centro or his contractors fail to complete the Project or comply with any other term of this Agreement, the City and/or the Board may declare a breach and notify Centro by certified mail. The City or Board may terminate this Agreement if Centro does not take adequate steps to commence curing its failure within ninety (90) calendar days after receiving written notice from the City and/or the Board requesting the failure be cured.

IX. INDEMNIFICATION

9.1 CENTRO covenants and agrees to INDEMNIFY, DEFEND and HOLD HARMLESS THE CITY, ITS ELECTED OFFICIALS, OFFICERS AND EMPLOYEES AND THE BOARD, ITS OFFICIALS, OFFICERS, EMPLOYEES, DIRECTORS, VOLUNTEERS AND REPRESENTATIVES against any and all claims, lawsuits, judgments, cost, liens, losses, expenses, fees (including attorney's fees and costs of defense), proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury (including death), property damage, or other harm for which recovery of damages is sought that may ARISE OUT OF OR BE OCCASIONED OR CAUSED BY THE NEGLIGENT ACT, ERROR, OR OMISSION OF CENTRO, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONTRACTOR OR SUBCONTRACTOR OF CENTRO, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES. THE INDEMNITY PROVIDED FOR IN THIS SECTION SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OF CITY OR ITS ELECTED OFFICIALS, OFFICERS OR EMPLOYEES OR THE BOARD OR ITS OFFICIALS, OFFICERS, EMPLOYEES, DIRECTORS, VOLUNTEERS OR REPRESENTATIVES. IN THE EVENT CENTRO AND THE CITY AND/OR BOARD ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

9.2 The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

9.3 CENTRO shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or CENTRO known to CENTRO related to or arising out of CENTRO's activities under this AGREEMENT.

9.4 Defense Counsel – The City shall have the right to select or to approve defense counsel to be retained by Centro in fulfilling its obligation hereunder to defend and indemnify the City, unless such right is expressly waived by the City in writing. Centro shall retain City-approved defense counsel within seven (7) business days of the City's written notice that City is invoking its right to indemnification under this Agreement. If Centro fails to retain counsel within such time period, the City shall have the right to retain defense counsel on its own behalf, and Centro shall be liable for all costs incurred by the City. The City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.

9.5 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of Centro, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Centro or any subcontractor under worker's compensation or other employee benefit acts.

X. INSURANCE

10.1 Prior to the commencement of any work under this Agreement, Centro shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the City's Planning and Community Development Department, which shall be clearly labeled "Funding Agreement for Traffic Study" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Planning and Community Development Department. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

10.2 City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will City allow modification whereby City may incur increased risk.

10.3 A contractor's financial integrity is of interest to the City; therefore, subject to Centro's right to maintain reasonable deductibles in such amounts as are approved by the City, Centro shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Centro's sole expense, insurance coverage written on an occurrence basis, by companies

authorized and admitted to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

<u>TYPE</u>	<u>AMOUNT</u>
A. Workers' Compensation Employers' Liability	Statutory \$500,000/\$500,000/\$500,000
B. Broad Form Commercial General Liability Insurance to include coverage for the following:	
a. Premises/Operations	For <u>Bodily Injury</u> and
b. Independent contractors	<u>Property Damage</u> of
c. Products/completed operations	\$1,000,000 per occurrence,
d. Personal Injury	\$2,000,000 in General Aggregate; or
e. Contractual Liability	its equivalent in Umbrella or Excess Liability Coverage
C. Business Automobile Liability	
a. Owned/leased vehicles	<u>Combined Single</u>
b. Non-owned vehicles	<u>Limit (CSL)</u>
c. Hired vehicles	of \$1,000,000

10.4 The City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Centro shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Centro shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of San Antonio
Attn: Planning and Community Development Department
Attn: TIF Unit
1400 S. Flores
San Antonio, Texas 78204

10.5 Centro agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the City, its officers, officials, employees, volunteers, and elected representatives and the Board and its officials, officers, employees, directors, volunteers and representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under

contract with the City, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.
- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

10.6 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Centro shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Centro's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

10.7 In addition to any other remedies City may have upon Centro's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, City shall have the right to order Centro to stop work hereunder, and/or withhold any payment(s) which become due, to Centro hereunder until Centro demonstrates compliance with the requirements hereof.

10.8 Nothing herein contained shall be construed as limiting in any way the extent to which Centro may be held responsible for payments of damages to persons or property resulting from Centro's or its subcontractors' performance of the work covered under this Agreement.

10.9 It is agreed that Centro's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

10.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement.

10.11 Centro and any subcontractors are responsible for all damage to their own equipment and/or property.

XI. RESPONSIBILITY OF THE PARTIES

11.1 As between the City, Centro, and the Board, Centro shall be solely responsible for compensation payable to any employee, contractor, or subcontractor of Centro, and none of

Centro's employees, contractors, or subcontractors will be deemed to be employees, contractors, or subcontractors of the City or the Board as a result of the Agreement.

11.2 To the extent permitted by Texas law, no director, officer, employee or agent of the City or the Board shall be personally responsible for any liability arising under or growing out of this Agreement.

XII. EXAMINATION OF RECORDS

12.1 The City reserves the right to conduct, at its own expense, examinations, during regular business hours and following notice to the Board and Centro of the books and records related to this Agreement with the City (including such items as contracts, paper, correspondence, copies, books, accounts, billings and other information related to the performance of the Board and/or the Centro's services hereunder), excluding any attorney-client privileged matter, no matter where the books and records are located.

XIII. NOTICE

13.1 Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving party at the following addresses:

CITY

Planning and Community
Development
Attn: TIF Unit
1400 S. Flores
San Antonio, TX 78204

BOARD

Board of Directors, Tax Increment
Reinvestment Zone Number Thirty-One
City of San Antonio, Texas
C/O Planning and Community Development
ATTN: TIF Unit
City of San Antonio
1400 S. Flores
San Antonio, Texas 78204

CENTRO

Pat DiGiovanni, President and CEO
110 Broadway, Suite 230, San Antonio, TX 78205
(210) 225-3862

XIV. CONFLICT OF INTEREST

14.1 The Board and Centro each acknowledges that it is informed that the Charter of the City and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his

parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

14.2 In accordance with Section 311.0091(h)(1) of the Act, and pursuant to the paragraph above, the Board and Centro each warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. The Board and Centro each further warrants and certifies that each member of the Board and that Centro has tendered to the City a **Discretionary Contracts Disclosure Statement**, in compliance with the City's Ethics Code, and the Centro has submitted a Form 1295, as required by state law.

XV. INDEPENDENT CONTRACTORS

15.1 It is expressly understood and agreed by all parties hereto that in performing their services hereunder, the Board and Centro at no time shall be acting as agents of the City and that all consultants or contractors engaged by the Board and/or Centro respectively shall be independent contractors of the Board and/or Centro. The parties hereto understand and agree that the City shall not be liable for any claims that may be asserted by any third party occurring in connection with services performed by the Board and/or Centro respectively, under this Agreement unless any such claims are due to the fault of the City.

15.2 The parties hereto further understand and agree that no party has authority to bind the others or to hold out to third parties that it has the authority to bind the others.

XVI. PARTIES' REPRESENTATIONS

16.1 This Agreement has been jointly negotiated by the City, the Board and Centro and shall not be construed against a party because that party may have primarily assumed responsibility for the drafting of this Agreement.

XVII. ENTIRE AGREEMENT

17.1 This written Agreement embodies the final and entire agreement relating to reimbursement for the Project between the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

17.2 Any amendments to this Agreement shall be in writing and shall be subject to the same formality as this Agreement, including the passage of a Board resolution and City Council Ordinance, when required.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed on the date of each signature below. In accordance with paragraph 1.8 above, this Agreement will become effective on the date of the last signature:

CITY OF SAN ANTONIO

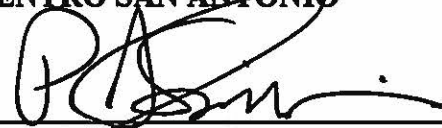
Sheryl Sculley
City Manager

**BOARD OF DIRECTORS,
TAX INCREMENT REINVESTMENT
ZONE NUMBER THIRTY-ONE,
CITY OF SAN ANTONIO, TEXAS**



Name:
Title: Presiding Officer

CENTRO SAN ANTONIO



Pat Di Giovanni
President and CEO

CITY CLERK

Leticia M. Vacek
City Clerk

Approved as form: _____
City Attorney