

**DEVELOPMENT AGREEMENT WITH THE CITY OF SAN ANTONIO, TEXAS  
BROOKS DEVELOPMENT AUTHORITY, and  
THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER SIXTEEN,  
CITY OF SAN ANTONIO, TEXAS  
As Amended 4/16/2015**

This Development Agreement ("Agreement"), pursuant to Ordinance No. 2008-05-08-0367, passed and approved on the 8<sup>th</sup> day of May, 2008, subsequently amended pursuant to Ordinance No. 2009-06-18-0508, passed and approved on the 18<sup>th</sup> day of June, 2009, amended pursuant to Ordinance No. 2010-06-10-0524, passed and approved on the 10<sup>th</sup> day of June 2010, and amended pursuant to Ordinance No. 2015-\_\_\_\_\_, passed and approved on the \_\_\_ of \_\_\_, 2015 is entered into by and between the City of San Antonio, a Texas municipal corporation in Bexar County, Texas ("the City"); Brooks Development Authority, a Defense Base Development Authority, created under Chapter 379B of the Texas Local Government Code ("BDA"); and the Board of Directors for Reinvestment Zone Number Sixteen, City of San Antonio, Texas, a tax increment reinvestment zone (the "Board") and whom together may be referred to as the "Parties".

**BACKGROUND:**

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

**WHEREAS**, the City was instrumental in establishing the legislation to allow the creation of a Defense Base Development Authority; and

**WHEREAS**, on September 27, 2001, City Council created the Brooks Development Authority ("BDA"), by passing Resolution 2001-36-39, for the purposes of accepting title to 1,300 acres of real property of the former Brooks Air Force Base and engaging in the redevelopment of the installation to transition it into a business and technology park; and

**WHEREAS**, by Ordinance Number 100073, dated December 9, 2004, 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 Sixteen, City of San Antonio, Texas ("TIF Zone") in accordance with the Act, to promote development and redevelopment of the Zone Property 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 TIF Zone; and

**WHEREAS**, this City-initiated TIF Zone was designed to leverage ongoing area development in support of a special joint project between the U.S. Air Force and the City to successfully convert and redevelop the former Brooks Air Force Base; and

**WHEREAS**, the City has issued a total of \$19,050,000.00 in Certificates of Obligation to BDA for capital improvements, via such ordinances as No. 2008-12-04-01067, No. 2010-06-10-0528,

and No. 2012-08-02-0542, and has generally supported BDA through City funds to cover certain operating expenses of BDA; and

**WHEREAS**, \$13,944,846.36 of the \$19,050,000.00 has been used to fund the New Braunfels Infrastructure Phase I and II as well as the Challenger Drive Inner Circle Infrastructure; and

**WHEREAS**, the remaining balance of \$5,105,153.64 shall be used to fund the Dave Erwin Drive Infrastructure Project and other approved Street Projects other than the New Braunfels Infrastructure Project; and

**WHEREAS**, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, 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 Final 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**, on the 16<sup>th</sup> day of March, 2015, the Board adopted and approved a Final Project Plan, a Final Financing Plan, and an amended Development Agreement providing for development of the Zone Property; and

**WHEREAS**, the City approved the Final Project Plan and Final Financing Plan for the TIF Zone by Ordinance Number 2015-\_\_-\_\_-\_\_ on the \_\_\_\_ day of \_\_\_\_, 2015 and authorized the City Manager of the City of San Antonio or her designated representative to execute the original Agreement on behalf of the City, and to bind the City to the terms and conditions of this Agreement; and

**WHEREAS**, the City wishes to issue or make available further Certificates of Obligation or other debt obligations, the proceeds of which will be used by BDA to fund Public Infrastructure within the TIF Zone, some of which will be reimbursed by Tax Increment; and

**WHEREAS**, the City, BDA, and the Board need to clarify the additional responsibilities arising with the use of the Certificates of Obligation proceeds for the subsequent development of Public Improvements through an amendment of the original Agreement; and

**WHEREAS**, pursuant to the Act (as amended) and City of San Antonio Ordinance Number 100073, dated December 9, 2004, the Board has authority to enter into agreements that the Board considers necessary or convenient to implement the Final Project Plan and Final Financing Plan and to achieve the purposes of developing the Zone Property within the scope of those plans; and

**WHEREAS**, on the 16<sup>th</sup> day of March, 2015, the Board adopted and approved an amended Agreement and the BDA approved the amended Agreement on the — day of March, 2015; and

**WHEREAS**, the City approved the amended Agreement by Ordinance Number 2015-\_\_-\_\_- on the — day of —, 2015 and authorized the City Manager of the City of San Antonio or her designated representative to execute the amended Agreement on behalf of the City, and to bind the City to the terms and conditions of the amended Agreement; and

**WHEREAS**, pursuant to said authority above, the Board, the City and BDA each hereby enters into a binding agreement with the others to develop and/or redevelop the Zone Property as specified in the Proposal, Final Project Plan, Final Financing Plan and this amended Agreement; and

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

## **I. DEFINITIONS**

1.1 The “City,” the “Board” and “BDA” 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 “Administrative Costs” means reasonable costs directly incurred by the City related to its agreement to participate in the development of the TIF Zone, as described in this Agreement. These costs include, but are not limited to, reasonable costs and expenses for legal review and financial analysis related to the TIF Zone incurred prior to entering into this Agreement, as well as any such costs and expenses incurred after this Agreement becomes effective. The initial startup Administrative Costs for the City are seventy-five thousand dollars (\$75,000.00). The Parties also agree that the ongoing annual Administrative Costs from the time the TIF Zone was established through Tax Year 2013 (Fiscal Year 2014) is limited to fifteen thousand (\$15,000.00) per fiscal year. The Parties also agree and in accordance with the attached Finance and Project Plan that the ongoing annual Administrative Costs from October 1, 2014 (Tax Year 2014/Fiscal Year 2015) through the remaining life of the TIF Zone will be seventy-five thousand dollars (\$75,000.00) per fiscal year.

1.4 “Agreement” means this document by and among the City, the Board and BDA, which may be amended from time to time.

1.5 “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 TIF Zone less the City’s Administrative Costs and any debt obligation of the City for debt dedicated to BDA’s development of Public Improvements within the TIF Zone.

1.6 “BDA” means Brooks Development Authority.

1.7 “City Manager” means the City Manager of the City or her designee.

1.8 “City Code” means the City Code of the City of San Antonio, as amended.

1.9 “City Capital Administration Costs” means the funds in the amount of up to 4% of the contract amount that may be withheld by the City to recoup its project management costs in overseeing the proper construction of Public Improvements with the proceeds of Certificates of Obligation. The Parties agree and in accordance with the attached Finance and Project Plan that from October 1, 2014 (Tax Year 2014/Fiscal Year 2015) through the remaining life of the TIF Zone the City Capital Administrative Costs will be 2% of the contract amount that may be withheld by the City to recoup its project management costs in overseeing the proper construction of Public Improvements with the proceeds of the debt issued or that may be issued by the City.

1.10 “Completion” means construction of a Public Improvement in the TIF Zone in accordance with the engineer’s design, Final Project Plan, Final Financing Plan and this Agreement. In order for a Public Improvement to have achieved a state of “Completion”, the improvement must:

- a. be inspected by a design engineer, and be the subject of a certification letter from the design engineer, sealed with the engineer’s professional seal, certifying that the Public Improvements were designed in such a manner as to endure without need for maintenance, repair or replacement for five (5) years, taking into consideration the site and traffic conditions, present and future, at or near the improvements, and certifying that the Public Improvements were constructed according to the specifications required by the engineer’s design for each improvement; and
- b. be approved by the City as evidenced by a letter of acceptance issued by an authorized official of the City; and
- c. for streets and drainage improvements only, be or have been subject to the one-year extended warranty bond required by Chapter 35 of the City’s Unified Development Code.

1.11 “Construction Schedule” means the timetable for constructing the improvements specified in the Final Project Plan, Final Financing Plan and this Agreement, which timetable is more particularly set forth in **Exhibit A**, attached hereto and incorporated herein for all purposes and which timetable may be amended from time to time pursuant to the provisions of this Agreement.

1.12 “Contract Progress Payment Request” (“CPPR”) means a request, prepared in accordance with the requirements of **Exhibit D**, attached hereto and incorporated herein for all purposes, for payment due BDA for work in accordance with the Public Improvements in the Final Project Plan and the timeline detailed in **Exhibit A**, Construction Schedule. The CPPR shall also reflect all waivers granted through the Incentive Scorecard System.



1.13 “CPPR Approval” means a written acknowledgment from the City to BDA that the Contract Progress Payment Request was completed and submitted correctly, and that the Contract Progress Payment Request is ready for presentation to the Board for approval and consideration for payment to BDA.

1.14 “Effective Date” means the date that the last party signs this Agreement.

1.15 “Final 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, which Plan is hereby incorporated into this document by reference for all purposes, as if set out in its entirety.

1.16 “Final 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, which Plan is hereby incorporated into this document by reference for all purposes, as if set out in its entirety.

1.17 “Guidelines” means the current Tax Increment Financing (TIF) and Reinvestment Zone Policies, Guidelines and Criteria as passed and approved by the City Council of the City of San Antonio.

1.18 “Phase” means a portion of the Project that is being constructed by BDA, normally being a set number of units constructed or acres of the Zone Property being developed during a specific period.

1.19 “Project” has the meaning specified in paragraph 3.1 of this Agreement, and as more specifically detailed in the Final Project Plan and Final Financing Plan as (either or both) may be amended from time to time.

1.20 “Project Costs” has the meaning provided by Section 311.002(1) of the Act.

1.21 “Project Status Report” means a report, prepared and submitted by BDA in accordance with the requirements of paragraph 5.5, paragraph 5.17, and **Exhibit B** attached hereto and incorporated herein for all purposes, which report provides quarterly updates of Project construction and compliance with laws, ordinances, and contractual requirements.

1.22 “Public Improvements” include those improvements that provide a public benefit and that are listed in the Final Project Plan and the Final Financing Plan. When an improvement has both private and public benefits, only that portion which is dedicated to the public may be paid to BDA, such as, but not limited to, grading and environmental studies.

1.23 “Public Infrastructure” includes any infrastructure owned and maintained by a public entity including but not limited to streets, street landscaping, utilities, drainage, street light, street signs etc.

1.24 “Tax Increment” has the meaning assigned by Section 311.012 of the Texas Tax Code, and applies only to taxable real property within the TIF Zone.

1.25 “TCI” means the City’s Transportation and Capital Improvements Department or any subsequent City department that will oversee the City’s capital improvements projects.

1.26 “TIF” means Tax Increment Financing.

1.27 “TIF Fund” means the tax increment fund created by the City for the deposit of Tax Increments for the TIF Zone, entitled “Reinvestment Zone Number Sixteen, City of San Antonio, Texas Tax Increment Fund.”

1.28 “TIF Unit” means the employees of the City’s Planning & Community Development Department responsible for the management of the City’s TIF Program.

1.29 “TIF Zone” means Tax Increment Reinvestment Zone Number Sixteen, City of San Antonio, Texas.

1.30 “Zone Property” means the contiguous geographic area of the City that is included in the boundaries of the TIF Zone, which are more particularly described in the Final Project and Financing Plans.

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 or neutral.

## II. REPRESENTATIONS

2.1 **Financial Instruments.** The City, the Board and BDA represent that they understand and agree that the City issued or may issue bonds, notes, certificates of obligation to provide a portion of the funds that were allocated or that may be allocated to pay Project Costs in the TIF Zone under this Agreement. BDA and the Board will not be parties to the City's bonds, notes, certificates of obligation or other financial instruments; however, TIF revenues will be used to cover any and all costs related to bonds, notes, certificates of obligation or other financial instruments as necessary. The City will annually review the status of the TIF Fund, anticipated Tax Increment to be collected, and the Public Improvements to be constructed in the near term and may issue bonds, notes, certificates of obligation, or other financial instruments as necessary. Any issuance by the City of bonds, notes, certificates of obligation, or other financial instruments does not require amendment of the Final Financing Plan as long as the maximum total contribution by the City does not exceed fifty-six million, three hundred, sixty-four thousand, twenty-seven dollars (\$56,364,027.00).

2.2 **City’s Authority.** The City represents to BDA 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.

**2.3 Board's Authority.** The Board represents to BDA that, as of the date of the Board's signature to this document, the TIF Zone is a Tax Increment Reinvestment Zone established by the City pursuant to Ordinance Number 100073, passed and approved on December 9, 2004, and that the City and the Board have authority to carry on the functions and operations contemplated by this Agreement.

**2.4 BDA's Authority and Ability to Perform.** BDA represents to the City and to the Board that BDA is a Defense Base Development Authority, created under Chapter 379B of the Texas Local Government Code; that BDA is a political subdivision in the State of Texas; that BDA has been authorized by its governing body to enter into this Agreement and to perform the requirements of this Agreement; that BDA's performance under this Agreement shall not violate any applicable judgment, order, law or regulation; and that BDA shall have sufficient capital to perform all of its obligation under this Agreement whether from the City or other sources when it needs to have said capital or agrees to seek all available sources of funding in accordance with paragraph 5.19.

**2.5 All Consents and Approvals Obtained.** The City, the Board and BDA 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.

**2.6 Payments.** The City and BDA may rely upon the payments to be made to them out of the TIF Fund or City debt proceeds dedicated to BDA's development of Public Improvements within the TIF Zone as specified in this Agreement, but BDA's right to such payments is subject to the other limitations of this Agreement. The City shall issue a check or other form of payment made payable only to the BDA.

**2.7 Reasonable Efforts of all Parties.** The City, the Board and BDA 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 continued cooperation.

**2.8 BDA's Continuing Duty to Complete Improvements.** The City, the Board and BDA represent each to the others that they understand and agree that even after the TIF Zone terminates, BDA shall diligently work to successfully complete any and all required Public Improvements that were not completed before the TIF Zone terminated. Such completion shall be at no additional cost to the City and/or the Board.

**2.9 No Interlocal Agreements.** The City, the Board and BDA represent each to the others that they understand and agree that the City is the only taxing entity contributing a percentage of its tax increment to the TIF Fund, and therefore, no other agreements are necessary with any other public entity to make this Agreement effective.

**2.10 BDA Bears Risk.** BDA represents that it understands that any payment from City debt proceeds dedicated to BDA's development of Public Improvements within the TIF Zone shall not be, nor shall be construed to be, financial obligations of the Board. BDA shall bear all risks associated with payments from City, including, but not limited to: pre-development agreement

costs, incorrect estimates of tax increment, changes in tax rates or tax collections, changes in state law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in building and development code requirements, changes in City policy, default by tenants, unanticipated effects covered under legal doctrine of force majeure, and/or other unanticipated factors. BDA recognizes that any liability or obligation incurred in anticipation of payments from City debt proceeds without a Board approval will be BDA's responsibility.

**2.11 Not an Obligation of the General Fund.** BDA represents that it understands that any payments made to BDA from tax increments are never obligations of the general funds of the City, but only obligations of the TIF fund, and subject to limitations.

### **III. THE PROJECT**

**3.1 The Project.** The Project includes previously constructed Public Improvements: Including, New Braunfels Infrastructure Project (Phases I and II) Challenger Drive and Inner Circle Infrastructure. New construction means the Dave Erwin Infrastructure Project, which is a proposed north-south, three-lane, un-divided roadway extending 2,545 feet from SE Military to Sidney Brooks to be constructed by BDA. (Dave Erwin Dr. is subject to a potential name change and upon official change in name Dave Erwin Dr. will be referred to by the new name). Dave Erwin Dr. is classified as a Collector street with 44 feet of pavement and 70 feet of right-of-way. Dave Erwin Dr. extends along the east side of the School of Aerospace Medicine Historic District at Brooks City Base. The proposed realignment of Dave Erwin Dr. is consistent with the established Brooks Hill Campus Master Plan and will provide access to the new School of Osteopathic Medicine at University of Incarnate Word. The project will include demolition of existing Dave Erwin Dr. and reconstruction of Dave Erwin Dr. along with required utility infrastructure. Future Project improvements include other street and Public Infrastructure projects as approved and as more thoroughly set forth in and in accordance with the Final Project Plan and Final Financing Plan.

**3.2 Competitive Bidding.** Contracts for the construction of Public Improvements by or on behalf of BDA shall be competitively bid in compliance with Chapter 252 of the Local Government Code and be constructed, in compliance with all applicable law unless: (1) Debt proceeds provided by the City or Available Tax Increment Funds go toward financing 30 percent or less of the cost for a specific Public Improvement, in compliance with the Developer Participation Contract statutes currently found in Subchapter C in Section 212 of the Local Government Code; and (2) such Public Improvement is not a building of any sort.

**3.3 Financing.** BDA may use any or part of the Zone Property that it owns or manages as collateral for the construction loan or loans as required for the financing of the Project; however, no property with a lien still attached may be offered to the City for dedication.

The City may issue bonds, notes, certificates of obligation, or other financial instruments to cover any Project Costs directly or indirectly related to BDA's improvements in the TIF Zone under this Agreement. BDA acknowledges that any debt proceeds provided by the City may only be used to fund Public Improvements within the TIF Zone.

BDA acknowledges that the priority of payment within the Available Tax Increment Funds will be to the City for payment of the City's debt incurred or that may be incurred including but not limited to Certificates of Obligation dedicated to Public Improvements within the TIF Zone and subject to priority of payment in paragraph 7.5.

If there are not sufficient Available Tax Increment Funds on hand sixty (60) days prior to each semiannual debt service payment date to pay the City's debt incurred and dedicated to BDA's development of Public Improvements within the TIF Zone, BDA will be required to make up the shortfall within thirty (30) days upon notice by the City of such shortfall to the extent BDA has available funds. Should BDA have exhausted its resources and a shortfall remains, then BDA agrees in good faith to utilize all funding options available and permitted by law to cure such shortfall.

BDA has the ability to pay off any City's debt incurred and dedicated to BDA's development of Public Improvements within the TIF Zone at anytime, as long as the payment includes all costs for the City to defease such debt.

Should there be no current City debt incurred and dedicated to BDA's development of Public Improvements within the TIF Zone, the City and the Board pledge to use Available Tax Increment Funds to pay BDA for eligible Project Costs it has expended.

**3.4 Payment.** The maximum contribution to BDA under this TIF Zone will not exceed fifty-six million, three hundred sixty-four thousand, twenty-seven dollars (\$56, 364,027.00) and is not intended to cover all of BDA's costs incurred in connection with performing its obligations under this Agreement. The parties hereto agree that the priority of payment within the Available Tax Increment Funds will be to the City for payment of the City's debt incurred and dedicated to the BDA's development of Public Improvements within the TIF Zone until such time as all such debt is no longer outstanding.

#### **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 the BDA receives final payment for completing the Project; (ii) the date this Agreement is terminated as provided in Article X; or (iii) September 30, 2029, provided that all existing warranties on the Project shall survive termination of this Agreement.

#### **V. DUTIES AND OBLIGATIONS OF BDA**

**5.1 Compliance with Laws and Ordinances.** BDA shall comply with applicable provisions of the TIF Guidelines, the City Charter, the City Code, state and federal law, as they may be amended from time to time.

**5.2 Duty to Complete.** Subject to Article VII, BDA agrees to complete, or cause to be completed, the Public Improvements described in the Final Project Plan, Final Financing Plan



and in this Agreement. BDA agrees to provide, or cause to be provided, all materials, labor, and services for completing the Project. BDA also agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of the Public Improvements in the Zone Property.

**5.3 Commencement of Construction.** From the Effective Date of this Agreement forward, BDA shall not commence any construction on any Phase of the Project until the plans and specifications for that Phase have been approved in writing by the appropriate department of the City and all federal and state law requirements have been met.

**5.4 Payment and Performance Bonds.** BDA must ensure that its contractors deliver original Chapter 2253 Performance and Payment Bonds and BDA must provide a copy of the Bonds to the City prior to construction in order for the Public Improvements to be eligible for payment. BDA agrees that Performance and Payment Bonds shall meet the minimum standards for these bonds set by the City's Risk Management Division. Failure to meet the City's minimum standards for these bonds prior to the commencement of construction will be considered a breach of contract. The bonds shall name both the City and BDA as beneficiaries or obligees of the bonds. The payment and performance bonds for each Phase shall be in an amount sufficient to cover the entire contract cost of the Public Improvements for that Phase.

BDA shall maintain and make available for inspection all original Payment and Performance Bonds with copies to TCI and the TIF Unit. TCI shall determine whether the bonds meet the minimum standards. Without limiting other material breaches, failure of BDA to ensure the compliance of its contractor with this paragraph or Chapter 2253 of the Texas Government Code is a material breach of this Agreement, and the City may exercise the full range of legal remedies available to the City, including but not limited to: terminating the TIF Zone and/or exercising its rights under Article X.

**5.5 Supervision of Construction.** BDA agrees to retain and exercise supervision over the construction of all public and private improvements of the project, and cause the construction of all project improvements to be performed, at a minimum, in accordance with federal, state and local laws and ordinances, including, but not limited to the TIF Guidelines, the Final Project Plan, the Final Financing Plan, the Unified Development Code, Universal Design, the City Code, and the plans and specifications approved by the Board and the appropriate department of the City. BDA also agrees to provide reports of such construction and of compliance with such laws, ordinances, and contractual requirements to the City and to the Board quarterly, or more often if requested by the City or the Board, using the form attached as **Exhibit B**, as it may be amended from time to time. Without limiting other material breaches, failure of BDA to comply with this paragraph is a material breach of this Agreement, and the City may terminate the TIF Zone and exercise the full range of legal remedies available to the City.

**5.6 No Vesting of Rights.** BDA agrees that the TIF program is a discretionary program and that the City has no obligation to extend TIF to BDA. In exchange for receiving TIF, BDA agrees that it has no vested rights under any regulations, ordinances or laws, and waives any claim to be exempt from applicable provisions of the current and future City Charter, City Code, City ordinances, and City Unified Development Code, state or federal laws and regulations.

**5.7 Payment of Applicable Fees.** BDA shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses which have not been waived and are required for construction of the Project.

**5.8 Delays.** BDA agrees to commence and complete the Project in accordance with the Construction Schedule. If completion of the Project is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, fire or other casualty, court injunction, necessary condemnation proceedings, interference by third parties, or any circumstances reasonably beyond BDA's control, then at the City's reasonable discretion, the deadlines set forth in the Construction Schedule may be extended by the period of each such delay. In the event that BDA does not complete the Project substantially in accordance with the Construction Schedule, then the parties, in accordance with paragraph 22.2 of this Agreement, may extend the deadlines set forth in the Construction Schedule, but not past the expiration of the TIF Zone. If the parties cannot reach an agreement on the extension of the Construction Schedule, or if BDA continues to fail to complete the Project in accordance with the revised Construction Schedule, then the City may exercise its termination remedies under Article X of this Agreement.

**5.9 Litigation against the City.** BDA acknowledges that it is aware that the City's policy on litigation is that, except to the extent prohibited by law, persons who are engaged in litigation related to TIF or TIRZ or adversarial proceedings related to TIF or TIRZ against the City are ineligible to obtain or continue the use of TIF as principals or participants for the duration of the litigation. A principal or participant includes the TIF applicant, BDA, BDA's contractors, affiliates, sponsors, payroll employees, or relatives of the first degree of consanguinity. Accordingly, the City shall not consider a project proposing the use of TIF, designate a TIRZ, enter into any TIF contracts or agreements with, or authorize or make any TIF payments to persons engaged in litigation related to TIF or TIRZ or adversarial proceedings related to TIF or TIRZ with the City. Ineligible persons shall be excluded from participating as either participants or principals in all TIF projects during the term of their litigation. "Person" includes an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, partnership, association, and any other legal entity. This TIRZ may not be terminated for violations of this policy which occur more than sixty (60) days prior to the execution of this Agreement.

**5.10 Small, Minority or Women-owned Business Enterprises.** With respect to Public Improvements, BDA understands and agrees to comply with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or otherwise established herein. This policy is contained in City Ordinance 2007-04-12-0396 and its subsequent amendments. BDA shall require all its applicable contractors to comply with City Ordinance 2007-04-12-0396 and its subsequent amendments or any other ordinance adopted to repeal and replace City Ordinance 2007-04-12-0396. BDA must use the language provided in **Exhibit F**, or any subsequent revision provided by the City, modified as necessary, in its

subcontracts for any construction or project management of work required to be performed under the Final Project Plan, Final Financing Plan or this Agreement.

**5.11 Tree Ordinance.** In accordance with paragraphs 5.5 and 5.6 above, BDA shall comply and shall cause its contractors and subcontractors to comply with the City Code provisions for tree preservation, located in Chapter 35, Article IV of the City's Unified Development Code, as it may be amended from time to time.

**5.12 Duty to Maximize Tax Increment and Available Tax Increment Funds.** BDA shall render, or cause to be rendered, any and all residential buildings and commercial buildings to the Bexar County Appraisal District before December 31 of each year of this Agreement if the buildings were completed prior to December 31 of that year.

Further, BDA shall contractually require any hospital development to maintain a taxable entity status for ad valorem tax purposes for the life of the TIRZ or for as long as the City has issued bonds, notes, certificates of obligation, or other financial instruments to cover any Project Costs directly or indirectly related to BDA's Public Improvements in the TIF Zone under this Agreement. To maximize both Tax Increment and Available Tax Increment Funds, BDA will attempt to contractually require development by other developers, in the TIF Zone to maintain a taxable entity status for ad valorem tax purposes for the life of the TIRZ or for as long as the City has issued debt under this Agreement.

The City will notify BDA when it no longer intends to issue future bonds, notes, certificates of obligation, or other financial instruments. Only after such notice from the City and the City's retirement of all debt related to BDA's Public Improvements, may BDA remove the contractual requirement that a development maintain a taxable entity status for ad valorem tax purposes.

**5.13 Infrastructure Maintenance.**

- a. BDA shall, at its own cost and expense, maintain or cause to be maintained all Public Improvements, until acceptance by the City as evidenced by written acceptance required by paragraph 1.11 and for one (1) year after Completion.
- b. Upon acceptance of a street or drainage improvement for maintenance by the City, BDA or its contractor shall deliver to the City a one-year extended warranty bond, naming the City as the obligee, in conformity with Chapter 35 of the City's Unified Development Code. The cost of repair, replacement and maintenance for defects discovered during the first year after Completion shall be paid by BDA, its contractor or the bond company and shall not be paid out of the TIF Fund.
- c. After the expiration of the one (1) year extended warranty bond, the cost of the repair, replacement and maintenance of the Public Infrastructure shall be the responsibility of the City; and, the City shall be reimbursed from the Available Tax Increment Funds for those costs it must incur, including, but not limited to: demolition, rebuilding, engineering, design, re-construction or any other cost necessitated by the failure without regard to fault or degree of any Public Infrastructure which is

discovered within the second (2<sup>nd</sup>) through fifth (5<sup>th</sup>) years after Completion of said infrastructure. Future issuance of City debt may be hindered should the City have to divert Available Tax Increment Funds to make such repair, or replacement, or perform such maintenance.

- d. It shall be no defense to the City's reimbursement of itself out of the TIF Fund that the City or its agents have inspected, accepted or approved the Public Infrastructure. Approval or acceptance of Public Infrastructure is not a waiver of claims under this subparagraph. The City may attempt multiple repairs on the same infrastructure and reimburse itself for each attempt.
- e. BDA, its agents, employees, and contractors will not interfere with reasonable use of all the Public Improvements by the general public, except for drainage retention improvements. In accordance with the Construction Schedule, BDA shall use its best efforts to dedicate (or grant a public easement) to the Public Improvements where applicable to the appropriate public entity (as determined by the City), at no additional cost or expense to the City or any other public entity within sixty (60) days after Completion and acceptance of the improvements.
- f. The requirements of this Agreement cannot be waived or modified in any way by an engineer, employee or other official of the City or its subordinate agency with responsibility for inspecting or certifying public infrastructure. The actions of a City employee or agent do not work an estoppel against the City under this Agreement or the Unified Development Code.

**5.14 Utility payments.** BDA shall pay, or cause to be paid, monthly rates and charges for all utilities (such as water, electricity, and sewer services) used by BDA in regard to the development of the Zone Property for all areas owned by BDA during construction of the Project, and for so long as BDA owns those areas. Projects within the TIF Zone shall be subject to Section 35.501 et seq. of the San Antonio City Code (impact fees) and BDA shall not be prohibited from applying for the benefits of any impact fee credits allowed by that section.

**5.15 Duty to Cooperate.** BDA 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 BDA's compliance with this Agreement.

**5.16 Universal Design and Determination of Tax Increment Portion.** BDA shall comply and by contract shall cause contractors to comply with the City's Universal Design Policy as required by the City Code. The City and/or Board shall provide written notice to BDA of the noncompliance with Universal Design Policies. BDA has ninety (90) days from date of notice to address and cure noncompliance. If BDA fails to cure noncompliance issues within the ninety (90) day period, the City may, in its sole discretion, and without Board action exercise its rights in accordance with Article X herein.

**5.17 Quarterly Status and Compliance Reports.** BDA shall submit to the City and the Board written and signed Project Status Reports (see paragraphs 1.22 and 5.5 above) containing



all the information requested, starting no later than thirty (30) days following the beginning of construction of the Project, and on the 15th day of January, April, July and October thereafter throughout the duration of the Project, on its construction progress and construction expenses, and its compliance with laws, ordinances, and contractual requirements. If Project Status Reports are not submitted on the assigned dates as above, BDA understands that no Available Tax Increment Funds will be paid to BDA and the City may exercise its rights in accordance with Article X herein.

**5.18 Duty to Comply.** BDA shall comply and shall cause all contractors and subcontractors to comply with the City's Unified Development Code, as amended from time to time, where applicable regarding the development of the Project.

**5.19 Reconciliation.** BDA will provide the City within ninety (90) days of the effective date of the amended Agreement an accounting of the capital improvements undertaken by BDA with any funds provided by the City or with funds to be reimbursed by certificates of obligation including supporting documentation of the accounting, such as invoices.

**5.20 Proceeds from Certificates of Obligation.** The City, as explained fully in paragraph 3.3, has issued certificates of obligation, the proceeds of which were used by BDA to make the planned Public Improvements within the TIF Zone. Initially, the City has made available three separate issuances of certificates of obligation for BDA planned Public Improvements. In 2008, 2010, and 2012 seven million, nine hundred fifty-five thousand (\$7,955,000.00); eight million, eight hundred sixty-five thousand (\$8,865,000.00); and two million, two hundred and thirty thousand (2,230,000.00) respectively was issued for a total of nineteen million, fifty thousand dollars (\$19,050,000.00). Work done on Public Improvements by BDA with the proceeds of certificates of obligation will be overseen by the Director of TCI or his designee per this paragraph and its subparagraphs both for the funding with certificates of obligation as well as all such future funding with certificates of obligation. The total debt service on certificates of obligation authorized under this Agreement together with any reimbursable administrative expenses will not exceed fifty-six million, three hundred sixty-four thousand, and twenty-seven dollars (\$56,364,027.00). As of the date of the approved Final Project and Finance Plans, the City has made payments to BDA in a total amount of eleven million, three hundred and six thousand, five hundred and ninety-three dollars, and 72 cents (\$11,306,593.72) for the New Braunfels Infrastructure Project for Phases I and II and two million, six hundred and thirty-eight thousand, two hundred and fifty two dollars, and 64 cents (\$2,638,252.64) for the Challenger Drive Infrastructure Costs under the terms of this agreement and as described in paragraph 3.1 of this agreement and as contained in the Final Project and Finance Plans. The remainder of any available funding through issued Certificates of Obligation shall be used by BDA in accordance with paragraph 3.1 and 3.3 to fund planned Public Improvements within the Brooks City Base TIRZ as outlined in this agreement and in the Final Project and Finance Plans. However, with the exception of Certificate of Obligation funds already spent on the New Braunfels Phases I and II and Challenger Drive Inner Circle infrastructure, no funds remaining from issued Certificates of Obligation will be spent on the remaining Phases of the New Braunfels Infrastructure Project.



- a. TCI shall contact BDA as designated in paragraph 17.1 should it have any questions or need clarification. BDA shall convey any reports required under this paragraph to TCI at the following:

City of San Antonio  
Transportation & Capital Improvements  
P.O. Box 893366  
San Antonio, Texas 78283-3966  
FAX: (210) 207-7196  
Email: debbie.sittre@sanantonio.gov

With a copy to:  
Planning & Community Development  
Attn: TIF Unit  
1400 S. Flores St.  
San Antonio, Texas 78204  
Email: Nancy.Sheppard@sanantonio.gov

- b. Before the certificates of obligation proceeds are released to BDA, BDA shall submit to TCI a scope of work (the "CO Project") describing the Public Improvements and their construction schedule to be undertaken with the proceeds. BDA will also provide map(s) depicting the location of the planned Public Improvements within the CO Project.
- c. BDA shall provide to City their plans and specifications for any Public Improvements included in the Final Project Plan and part of the CO Project and such plans and specifications shall be subject to the review and approval of TCI. After approval by City, BDA shall not make any substantial changes to the plans and specifications without prior written approval of TCI. City agrees to provide approvals within thirty (30) days of receiving complete plans. The approvals given in this subparagraph do not relieve BDA of the burden of obtaining all necessary governmental approvals, including those provided by City through its relevant development departments and relevant boards and commissions, including the Historic and Design Review Commission, and the State of Texas Commission on Environmental Quality (Article 9102).
- d. BDA or BDA's Chief Financial Officer, or his designee, shall obtain a City portal account to access the COSA PRIMELink. BDA shall give TCI and the TIF Unit an acceptable project schedule in Primavera. BDA will update the schedule to reflect actual progress and provide it to TCI and the TIF Unit by the fifth day of the following month (i.e., July 5<sup>th</sup> for June update). An acceptable schedule will include but not be limited to overall project phases and associated design, advertisement and construction periods, significant design submittals and steps, major construction phases, and any other tasks or milestones that would assist in understanding the project.
- e. BDA shall submit all future changes in the CO Project, including any design enhancements, to the TCI Director or his designee for review and approval to ensure compatibility with the previously approved plans and specifications.
- f. City shall have authority to inspect the CO Project throughout the construction process to ensure compliance with the approved plans and specifications. BDA shall cause its design professional to provide periodic certifications of construction

certifying that construction has been conducted in compliance with the approved plans and specifications. BDA shall have submitted all said certification to the TCI Director or his designee at the completion of the said CO Project. City shall have the right to withhold funding until such certifications are provided.

- g. Beginning on January 31, 2010, and on each succeeding January 31<sup>st</sup> while BDA is constructing or has commissioned construction of Public Infrastructure under this Agreement, BDA shall provide to City an annual report detailing BDA's compliance with the City's Small Business Economic Development Advocacy Program including a description of BDA's SBEDA Program and results of any scoring criteria generated under City Ordinance 2007-04-12-0396, any subsequent ordinance, or BDA's own program goals. City has the right to request supporting records to verify BDA's actual SBEDA achievement.
- h. BDA shall cause any contracting and bidding for the CO Project to separately identify allowable costs to ensure full compliance with the limitations placed on City's use of the bond funds. In particular, BDA shall only expend City's funds for the approved CO Project.
- i. Prior to any reimbursement or payment, City will have the right to inspect work completed on the CO Project to ensure conformance with the approved plans and specifications and to review invoices and payments for compliance with this Agreement.
- j. City shall reimburse BDA on a monthly basis upon receipt and approval of an invoice through the City's Project Reporting Information Management Exchange Link (COSA PRIMELink) within thirty (30) days after receipt of an approved invoice. All requests for reimbursement shall be submitted through the COSA PRIMELink. BDA shall sign a Business Level Agreement and ensure that all of its employees or representatives utilizing PRIMELink sign and comply with an Individual User Agreement. Such requests for reimbursement shall be completed on PRIMELink and/or utilizing forms and instructions approved by TCI. Prior to the initial request for reimbursement, BDA must submit a schedule of values for payment to be approved by TCI, which approval shall not be unreasonably withheld, conditioned, or delayed. Any changes to the schedule of values once approved will be processed and approved as task orders through the Portal.
- k. City agrees to provide BDA written notice regarding any expenditure the City reasonably determines to be outside the permissible parameters of this Agreement. Said notice will provide BDA thirty (30) days from receipt of said notice to cure the deficiency or refund to the City any sum of money paid by City to BDA and not spent by BDA strictly in accordance with the terms of this Agreement or not supported by adequate documentation to fully justify the expenditure.
- l. Unless City has questions concerning expenditure by BDA on a CO Project, City agrees to provide payment to BDA within thirty (30) working days of receipt of

completed invoice as described above.

- m. Funds in the amount of up to four percent (4%) of the contract amount, may be withheld by the City for City Capital Administration Costs. Starting on October 1, 2014 (Tax Year 2014/Fiscal Year 2015) through the life of the TIF Zone, funds in the amount of up to two percent (2%) of the contract amount may be withheld by the City for City Project Administrative Costs. Actual City Capital Administration Costs will be calculated using the most recent cost allocation plan and indirect cost proposal for TCI. Currently the cost allocation plan is designed for TCI to recover costs from project work efforts based on the actual time spent on the project, plus markup of non-billable hours, plus the indirect cost rate. Actual City Capital Administration Costs will be charged in this manner to the project work effort on a monthly basis until the 4% cap has been charged by the City and starting on October 1, 2014 (Tax Year 2014/Fiscal Year 2015) until the 2% cap has been charged by the City at the end of the CO Project, any excess funds remaining in the work effort within the 4% cap or starting on October 1, 2014 (Tax Year 2014/Fiscal Year 2015) the 2% cap for City Capital Administration Costs will be provided to BDA if allowable expenses are submitted to the City and the City has determined that it would be in its best interest to pay said expenses. BDA may be reimbursed with Tax Increment for the City Capital Administration Costs that it incurs.
- n. Upon BDA's preparation of a construction schedule and budget for the CO Project, BDA shall submit said budget to City for approval of any costs to be paid from funds received hereunder. Costs shall be considered allowable only if so approved in BDA's construction budget, or otherwise approved in advance by City in writing, and incurred directly and specifically in the performance of and in compliance with this Agreement and with all City, state and federal laws; regulations and ordinances affecting BDA's operations hereunder. Only the costs for construction and design expenditures for the CO Project shall be considered allowable. The following shall not be considered allowable CO Project costs:
  - Personnel costs, salaries or wages paid directly by BDA or other similarly affiliated organization,
  - Travel and travel-related expenses,
  - Costs or fees for consultant and/or professional services, except for those directly related to the CO Project,
  - Costs or fees associated with attendance at meetings, seminars, or conferences,
  - Costs or fees associated with regular maintenance and operation,
  - Fundraising,
  - Equipment and furnishings, unless part of BDA's approved plans and specifications,
  - Advertising, except for bid solicitation, and
  - Political activities.
- o. Written requests for prior approval shall be BDA's responsibility and shall be made thirty (30) days from date necessary to permit a thorough review by City.

Procurements and/or purchases which must be approved pursuant to a CO Project shall be conducted entirely in accordance with all applicable terms, provisions and requirements hereof.

**5.21 Preconstruction Meeting.** BDA shall also convene a pre-construction meeting to be held with any contractors or subcontractors and to include the TIF Unit, and TCI, before proceeding with construction on any Phase. One purpose of the meeting is to provide a review and explanation of the City reporting requirements under the Agreement.

**5.22 Seeking Additional Capital Funding from the City.** BDA acknowledges and agrees in good faith to seek all other available funding sources, including applying for grants, before seeking additional capital funding from the City through the City's Capital Budget process during the life of the TIF Zone. Upon request from BDA for additional capital funding, the City will review BDA's then current funding issues.

## **VI. DUTIES AND OBLIGATIONS OF CITY AND BOARD**

**6.1 Use of TIF Revenue:** The Board and BDA shall use TIF revenues to pay in priority; first, all principal and interest requirements on bonds, notes, certificates of obligation, or other financial instruments that have been or may have been issued by the City and allocated (City Allocated Debt) to BDA eligible projects in the TIRZ. After the required monthly amount has been deposited to the TIF Debt Service Fund to pay the next interest and principal payment due on the payment date of the City Allocated Debt, and subject to priority of payment in paragraph 7.5, the remaining TIF revenues in the TIF account may be used by BDA to pay the cost of BDA debt service requirements for eligible TIF projects, or to pay BDA for public improvements, including financing costs and in accordance with paragraph 7.5.

**6.2 Co-ordination of Board Meetings.** The City and the Board hereby agree that all meetings of the Board shall be coordinated through and facilitated by the TIF Unit, and that all notices for meetings of the Board shall be timely received and posted by City staff, in accordance with Chapter 2, Article IX, of the City Code.

**6.3 Letter of Acceptance.** The City and the Board shall use reasonable efforts to issue, or cause to be issued a letter of acceptance for items satisfactorily brought to Completion by BDA in constructing this Project.

**6.4 Payment Requests.** The City and the Board hereby agree that all payment requests from BDA not submitted via the Portal as described in paragraph 5.20(j) shall be initiated by the submission of a CPPR form, attached hereto as **Exhibit D**. City payments to BDA for Public Improvements within the TIF Zone may only be made given prior approval by the Board of a Phase development plan under which such payments are authorized.

## **VII. COMPENSATION TO BDA**

**7.1 Obligation Accrues as Increment is Collected.** 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 on or before April 15 and September 15 (or the first business day thereafter) of each year.

**7.2 CPPR Approval.** BDA shall submit to the City a completed Contract Progress Payment Request (hereinafter "CPPR"), as detailed in **Exhibit D** hereof. The CPPR shall be presented to the Board for review and possible payment authorization only after the City review and approval, as evidenced by a written CPPR Approval issued by the City.

**7.3 Maximum Compensation to BDA.** Following the Board's authorizations, BDA shall receive, in accordance with the Final Financing Plan and the Final Project Plan, total payment for Public Improvements including financing cost of a maximum of fifty-six million, four hundred sixty-four thousand, twenty-seven dollars (\$56, 364,027.00), as full payment for designing and constructing the Public Improvements required under the Final Project Plan, Final Financing Plan and this Agreement.

**7.4 Processing of Payment Requests.** Board-authorized payment from City debt proceeds shall be made to BDA within thirty (30) days, if BDA is in compliance with laws, statutes, ordinances and the requirements of this Agreement. Board-authorized reimbursements of Available Tax Increment Funds shall be made to BDA within thirty (30) days after deposit of a Tax Increment payment to the TIF Fund, if BDA is in compliance with laws, statutes, ordinances and the requirements of this Agreement.

**7.5 Order or Priority of Payment.** The parties agree that the City and the Board may use funds in the TIF Fund to pay eligible expenditures in the following order or priority of payment: (i) to repay any necessary debt obligation of the City for debt dedicated to BDA's development of Public Improvements within the TIF Zone; (ii) to reimburse eligible startup Administrative Costs incurred by the City in an amount not to exceed seventy five thousand dollars (\$75,000.00); (iii) to pay all other ongoing Administrative Costs to the City for administering the TIF Fund and/or the TIF Zone as defined and limited in paragraph 1.3;(iv ) to pay City Capital Administrative Costs to TCI as defined and limited in paragraph 1.9 (v) to reimburse the City for costs of the repair, replacement, and maintenance of Public Infrastructure and associated costs as described in this Agreement; (vi) to reimburse the City under any reclaim of funds pursuant to Article X; and (vii) to pay BDA for Public Improvements, including financing costs, and BDA debt service as provided in this Agreement and in the Final Project Plan to the extent that funds in the TIF Fund are available for this purpose. The foregoing notwithstanding, no funds will be paid from the TIF Fund to any party of this Agreement for its financial or legal services in any dispute arising under this Agreement.

**7.6 Partial Payments.** If TIF 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 TIF Funds become available. No fees, costs, expenses or penalties shall be paid to any party on any late payment. However, if there are insufficient Available Tax Increment Funds to pay City's debt incurred and dedicated to BDA's development of Public Improvements within the TIF Zone when due, then BDA is required to pay the cost of debt due.



**7.7 Payment of Debt Service on Certificates of Obligation, Bonds, Notes, or other financial instruments Funded Improvements.** City is automatically authorized to make transfers in approximate equal monthly installments, from the TIF Fund to the TIF Debt Service Fund as will be sufficient, together with any other funds on deposit therein and available for such purpose, to pay the interest and/or principal and interest scheduled to come due on all of the outstanding debt issued or that may be issued by the City utilized for BDA eligible projects including but not limited to CO Projects under paragraph 5.20 the terms of the Agreement.

**7.8 Repayment of Invalid Payments.** If any payment to BDA is held invalid, ineligible, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the charter, codes or ordinances of the City, then and in that event it is the intention of the parties hereto that such invalid, ineligible, illegal or unenforceable payment shall be repaid in full by BDA to the City for deposit in the TIF Fund for purposes of implementing the Public Improvements of the Project, and that the remainder of this Agreement shall be construed as if the invalid, illegal or unenforceable payment was never made.

## **VIII. INSURANCE**

**BDA will require that the Insurance requirements contained in this Article be included in all its contracts or agreements for Public Improvements where BDA is seeking payment under this Agreement, unless specifically exempted in writing by the City.**

8.1 Prior to the commencement of any work under this Agreement, BDA shall furnish copies of all required endorsements and the original completed Certificate(s) of Insurance to the City's TIF Unit, which shall be clearly labeled "**Brooks City Base TIRZ**, Dave Erwin Infrastructure Project " or the name of any other approved Public Infrastructure projects 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 a 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 at the address listed in paragraph 8.4. 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 TIF Unit. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

8.2 The 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 coverage and their limits when deemed necessary and prudent by the City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will the City allow modification whereupon the City may incur increased risk.

8.3 BDA's financial integrity is of interest to the City, therefore, subject to BDA's right to maintain reasonable deductibles in such amounts as are approved by the City, BDA or BDA's subcontractor, shall obtain and maintain in full force and effect during the construction of all Public Improvements required by the Final Project Plan and Final Financing Plan, and any

extension hereof, at BDA's or BDA's subcontractor'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:

TYPE	AMOUNTS
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Broad Form Commercial General Liability Insurance to include coverage for the following:  a. Premises operations *b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence;  \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability  a. Owned/leased vehicles  b. Non-owned vehicles  c. Hired Vehicles	<u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence
5. Contractor's Pollution Liability*	\$1,000,000 per occurrence
6. Builder's Risk Policy*	100% of value of each Phase of Project
* if applicable	

8.4 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 thereto or the underwriter of any such policies). BDA and/or BDA's subcontractor shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to the City at the addresses provided below within 10 days of the requested change. BDA and/or BDA's subcontractor shall pay any costs incurred resulting from said changes.

with a copy to:

City of San Antonio  
Planning & Community Development  
Attn: TIF Unit

City of San Antonio  
TCI  
P.O. Box 893366

1400 S. Flores St.  
San Antonio, Texas 78204

San Antonio, Texas 78283-3966

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

- a. Name the City and their respective officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under this Agreement, with the exception of the workers' compensation and professional liability policies;
- b. 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;
- c. Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
- d. Provide thirty (30) calendar days advance written notice directly to City at the same address listed in paragraph 8.4 of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

8.6 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, BDA and/or BDA's subcontractor shall provide a replacement Certificate of Insurance and applicable endorsements to the City at the address listed in paragraph 8.4. City shall have the option to suspend BDA'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.

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

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

8.9 It is agreed that BDA's and/or BDA's subcontractor's insurance shall be deemed primary with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

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

8.11 BDA agrees to obtain all insurance coverage with minimum limits of not less than those limits delineated in paragraph 8.3 from each subcontractor to BDA and provide a Certificate of Insurance and Endorsement that names BDA and the City as an additional insured.

## **IX. WORKERS COMPENSATION INSURANCE COVERAGE**

9.1 This Article is applicable only to construction of Public Improvements, the costs for which BDA is seeking payment from the City and the Board, and is not intended to apply to the private improvements made by BDA.

9.2. Definitions:

- a. Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on the Project for the duration of the project.
- b. Duration of the project - includes the time from the beginning of the work on the Phase of the Project until the BDA's/contractor's/person's work on the project has been completed and accepted by the City.
- c. Persons providing services on the Project ("subcontractor" in §406.096 of the Texas Labor Code) - includes all persons or entities performing all or part of the services BDA has undertaken to perform on the Project, regardless of whether that person contracted directly with BDA and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to the Project. "Services" does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

9.3 BDA shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all its employees providing services on the Project, for the duration of the project.

9.4 BDA must provide a certificate of coverage to the City prior to beginning construction under this Agreement and prior to awarding any contract for construction of Public Improvements.

9.5 If the coverage period shown on BDA's current certificate of coverage ends during the duration of the project, BDA must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.

9.6 BDA shall obtain from each person providing services on the Project, and shall provide to the City:

- a. a certificate of coverage, prior to that person beginning work on the Project, so the City will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
- b. no later than seven days after receipt by BDA or BDA's subcontractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of project.

9.7 BDA shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

9.8 BDA shall notify the City in writing by certified mail or personal delivery, within 10 days after BDA knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

9.9 BDA shall post on the Zone Property a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

9.10 BDA shall contractually require each person with whom it contracts to provide services on the Project, to:

- a. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the project;
- b. provide to BDA, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the project;
- c. provide BDA, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- d. obtain from each other person with whom it contracts, and provide to BDA:



- (1) a certificate of coverage, prior to the other person beginning work on the Project; and
  - (2) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- e. retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
  - f. notify the City in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
  - g. contractually require each person with whom it contracts with, to perform as required by subparagraphs a-g, the certificates of coverage to be provided to the person for whom they are providing services.

9.11 By signing this Agreement or providing or causing to be provided a certificate of coverage, BDA is representing to the City that all employees of BDA who will provide services on the Project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject BDA to administrative penalties, criminal penalties, civil penalties, or other civil actions.

9.12 BDA's failure to comply with any of these provisions is a breach of contract by BDA which entitles the City to declare the Agreement void if BDA does not remedy the breach within ten (10) days after receipt of notice of breach from the City without necessity of the ninety (90) day cure period as set forth in Article X.

## **X. DEFAULT AND TERMINATION**

10.1 In the event that BDA or its contractors fail to commence construction of the Project, fail to complete construction of the Project, or fail to perform any other obligation pursuant to the Final Project Plan and Final Financing Plan, or any other term of this Agreement, the City and/or the Board may declare a material breach and notify BDA by certified mail. The City or Board may terminate this Agreement if BDA does not take adequate steps to cure its failure within ninety (90) calendar days after receiving written notice from the City and/or the Board requesting the failure be cured. In the event of such default, and as one of the remedies of the City and/or the Board, BDA shall return any payments under this Agreement for the construction of Public Improvements for any Phase under development at the time of the default within ninety (90) calendar days after receiving written notice from the City and/or the Board that BDA has defaulted on this Agreement; EXCEPT that no refund is due if BDA, with the City's and the Board's written consent, assigns its remaining obligations under this Agreement to a qualified

party who timely completes BDA's obligations under this Agreement, pursuant to Article XVI (Assignment) herein.

10.2 After sending notice of failure under paragraph 10.1 above, the City shall not distribute the proceeds of Certificates of Obligation or any debt that may be issued by the City to BDA until the BDA's default is cured. If the default is not cured, the City may retain all undistributed Certificates of Obligation for distribution to the City. Likewise, the City and Board shall not distribute TIF Funds to BDA until BDA's default is secured. If the default is not cured the City and the Board may retain all undistributed TIF Fund money for distribution in the TIF Fund..

10.3 Notwithstanding paragraph 10.1 above, in the event the Board and/or BDA fails to furnish any documentation required in Article XIV (Examination of Records) herein within thirty (30) days following the written request for same, then the Board and/or BDA shall be in default of this Agreement.

## **XI. INDEMNIFICATION**

**11.1 BDA and the CITY acknowledge that they are political subdivisions of the State of Texas and are subject to, and comply with the applicable provisions of the Texas Tort Claims Act, as set out in the Texas Civil Practice and Remedies Code, § 101.001 *et seq.* and the remedies authorized therein regarding claims or causes of action that may be asserted by third parties for accident, injury or death.**

**11.2 No Joint Enterprise. There is no intention on the part of BDA or the CITY to create or otherwise form a joint enterprise under or pursuant to this Agreement. BDA and the CITY are undertaking a governmental function or service. BDA is engaging in redevelopment of base property and areas around the base property pursuant to Local Government Code Chapter 379B. The CITY also is promoting redevelopment of the same area through creation of the TIF Zone pursuant to the Act. BDA and the CITY do not have a pecuniary purpose, let alone a common one. The purpose of this Agreement is to further the public good, not gain a profit. BDA and the CITY do not have equal right of control. BDA has a superior right to control the direction and management of the enterprise solely for liability purposes under this Agreement and/or solely by virtue of its responsibility for the day-to-day management and control of the premises.**

**11.3 BDA covenants and agrees to have each of its subcontractors FULLY INDEMNIFY and HOLD HARMLESS, the CITY (and the elected officials, employees, officers, directors, volunteers and representatives of the CITY) and the BOARD (and the officials, employees, officers, directors, volunteers and representatives of the BOARD), individually or collectively, from and against any and all defense costs, claims, liens, damages, judgments, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind in law or in equity and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY and/or BOARD directly or indirectly arising out of, resulting from or related to BDA'S subcontractor's activities under this Agreement, including any acts or omissions of any agent, officer, director, representative, employee, consultant or subcontractor of BDA'S**

**subcontractor and their respective officers, agents, employees, directors, and representatives while in the exercise or performance of the rights or duties under this Agreement.**

**The indemnity provided in the forgoing paragraph shall not apply to any liability resulting from the sole negligence of the CITY (and the elected officials, employees, officers, directors, volunteers and representatives of the CITY) or the BOARD (and the officials, employees, officers, directors, volunteers and representatives of the BOARD), in instances where such negligence causes personal injury, death, or property damage, except to the extent provided below.**

**IN THE EVENT BDA'S SUBCONTRACTOR AND CITY AND/OR THE BOARD ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY WILL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY AND/OR THE BOARD UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS, FEDERAL, OR INTERNATIONAL LAW.**

**BDA shall advise the CITY and the BOARD in writing within 24 hours of any claim or demand against the CITY, the BOARD, or BDA known to BDA related to or arising out of BDA'S subcontractor's activities under this Agreement. BDA's subcontractor shall see to the investigation and defense of any such claim or demand against BDA'S subcontractor, the CITY or the BOARD at BDA'S subcontractor's sole cost until the CITY or the BOARD is found to be negligent by a court of competent jurisdiction. The CITY and the BOARD shall have the right, at their option and at their own expense, to participate in such defense without relieving BDA'S subcontractor of any of its obligations under this paragraph.**

**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.**

## **XII. SITE INSPECTION AND RIGHT OF ENTRY**

**12.1 BDA shall allow the City and/or the Board access to the Project property owned or controlled by BDA for inspections during and upon completion of construction of the Project, and to documents and records considered necessary by the City and/or the Board to assess BDA's compliance with this Agreement. BDA shall, in each contract with a builder or lot purchaser, retain a right of entry into the properties and structures in favor of the City for the purpose of allowing the Department of Planning & Community Development (TIF unit) employees and agents to conduct random non-destructive walk-throughs and monitoring of the properties and structures.**

### **XIII. RESPONSIBILITY OF THE PARTIES**

13.1 As between the City, BDA, and the Board, BDA shall be solely responsible for compensation payable to any employee, contractor, or subcontractor of BDA, and none of the BDA'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.

13.2 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.

### **XIV. EXAMINATION OF RECORDS**

14.1 The City reserves the right to conduct, at its own expense, examinations, during regular business hours and following notice to the Board and BDA 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 BDA's services hereunder) no matter where the books and records are located. The City also reserves the right to perform any and all additional audits relating to the Board's and/or BDA's services, provided that such audits are related to those services performed by the Board and/or BDA for the City under this Agreement. These examinations shall be conducted at the offices maintained by the Board and/or BDA.

14.2 All applicable records and accounts of the Board and/or BDA relating to this Agreement, together with all supporting documentation, shall be made available in Bexar County, Texas by the Board and/or BDA throughout the term of this Agreement and for twelve (12) months after the termination of this Agreement, and then transferred, upon City request, at no cost to the City, to the City for retention. During this time, the City, at its own expense, may require that any or all of such records and accounts be submitted for audit to the City or to a Certified Public Accountant selected by the City within ten (10) days following written request for same.

14.3 Should the City discover errors in internal controls or in record keeping associated with the Project, the Board and/or BDA shall correct such discrepancies either upon discovery or within a reasonable period of time, not to exceed sixty (60) days after discovery and notification by the City to the Board and/or BDA of such discrepancies. The Board and/or BDA shall inform the City in writing of the action taken to correct such audit discrepancies.

14.4 If it is determined as a result of such audit that the Board and/or BDA has overcharged the City for the cost of the Public Improvements, then such overcharges shall be immediately returned to the City and become due and payable with interest at the maximum legal rate under applicable law from the date the City paid such overcharges. In addition, if the audit determined that there were overcharges of more than two percent (2%) of the greater of the budget or payments to BDA for the year in which the discrepancy occurred, then the City is entitled to a refund as a result of such overcharges and BDA shall pay the cost of such audit.

## **XV. NON-WAIVER**

15.1 No course of dealing on the part of the City, the Board or BDA nor any failure or delay by the City, the Board or BDA in exercising any right, power or privilege under this Agreement shall operate as a waiver of any right, power or privilege owing under this Agreement.

## **XVI. ASSIGNMENT**

16.1 All covenants and agreements contained herein by the City and/or the Board shall bind their successors and assigns and shall inure to the benefit of BDA and their successors and assigns.

16.2 The City and/or the Board may assign their rights and obligations under this Agreement to any governmental entity the City creates without prior consent of BDA. If the City and/or the Board assign their rights and obligations under this Agreement then the City and/or the Board shall send BDA written notice of such assignment within fifteen (15) days of such assignment.

16.3 BDA may sell or transfer its rights and obligations under this Agreement only with the approval of the Board and the written consent of the City, as evidenced by an ordinance passed and approved by the City Council, when a qualified purchaser or assignee specifically agrees to assume all of the obligations of BDA under this Agreement. This restriction on BDA's rights to sell or transfer is subject to the right to assign as provided in paragraph 16.6 below.

16.4 Any work or services contracted herein shall only be by written contract or agreement and, unless the City grants specific waiver in writing, shall be subject by its terms, insofar as any obligation of the City is concerned, to each and every provision of this Agreement. Compliance by BDA's subcontractors with this Agreement shall be the responsibility of BDA. Copies of those written contracts must be submitted with the CPPR in order to be considered eligible Project Costs.

16.5 The City shall in no event be obligated to any third party, including any contractor, subcontractor or consultant of BDA, for performance of work or services under this Agreement except as set forth in paragraph 16.7 of the Agreement.

16.6 Any restrictions herein on the transfer or assignment of BDA's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a lending institution or other provider of capital in order to obtain financing for the Project. In no event, however, shall the City be obligated in any way to the aforementioned financial institution or other provider of capital.

16.7 Each transfer or assignment to which there has been consent, pursuant to paragraph 16.3 above, shall be by instrument in writing, in form reasonably satisfactory to the City, and shall be executed by the transferee or assignee who shall agree in writing for the benefit of the City and the Board to be bound by and to perform the terms, covenants and conditions of this Agreement. Four (4) executed copies of such written instrument shall be delivered to the City. Failure to first



obtain, in writing, the City's consent, or failure to comply with the provisions herein contained shall operate to prevent any such transfer or assignment from becoming effective.

16.8 In the event the City approves the assignment or transfer of this Agreement, as provided in paragraph 16.6 above, BDA shall be released from such duties and obligations.

16.9 Except as set forth in paragraph 16.3, the receipt by the City of services from an assignee of BDA shall not be deemed a waiver of the covenant in this Agreement against assignment or an acceptance of the assignee or a release of BDA from further observance or performance by BDA of the covenants contained in this Agreement. No provision of this Agreement shall be deemed waived by the City unless such waiver is in writing, and approved by the City Council of the City in the form of a duly passed ordinance.

## **XVII. NOTICE**

17.1 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**

City of San Antonio  
City Manager's Office  
P.O. Box 893366  
San Antonio, Texas 78283-3966  
FAX: (210) 207-7032

### **BOARD**

Board of Directors, Tax Increment  
Reinvestment Zone Number Sixteen  
City of San Antonio, Texas  
C/O Planning & Community Development.  
ATTN: John Dugan, Director  
City of San Antonio  
1400 S. Flores  
San Antonio, Texas 78204

## **BROOKS DEVELOPMENT AUTHORITY**

Milo Nitschke  
Chief Financial Officer,  
Brooks Development Authority,  
1 B.D.A. Crossing, Suite 100  
San Antonio, Texas 78235  
FAX: (210) 678-3339

17.2 Each party may change its address by written notice in accordance with this Article. Any communication delivered by facsimile transmission shall be deemed delivered when receipt of such transmission is received if such receipt is during normal business hours or the next business day if such receipt is after normal business hours. Any communication so delivered in person shall be deemed received when receipted for by or actually received by an officer of the party to whom the communication is properly addressed. All notices, requests or consents under this Agreement shall be (a) in writing, (b) delivered to a principal officer or managing entity of the

recipient in person, by courier or mail or by facsimile, telegram, telex, cablegram or similar transmission, and (c) effective only upon actual receipt by such person's business office during normal business hours. If received after normal business hours, the notice shall be considered received on the next business day after such delivery. Whenever any notice is required to be given by applicable law or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Each party shall have the right from time to time and at any time to change its address by giving at least fifteen (15) days written notice to the other party.

### **XVIII. CONFLICT OF INTEREST**

18.1 The Board and BDA each acknowledges that it is informed that the City Charter 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.

18.2 In accordance with Section 311.0091(h)(1) of the Act, and pursuant to the subsection above, the Board and BDA 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 BDA each further warrants and certifies that each member of the Board and that BDA has tendered to the City a **Discretionary Contracts Disclosure Statement**, provided as **Exhibit E**, in compliance with the City's Ethics Code.

### **XIX. INDEPENDENT CONTRACTORS**

19.1 It is expressly understood and agreed by all parties hereto that in performing their services hereunder, the Board and BDA at no time shall be acting as agents of the City and that all consultants or contractors engaged by the Board and/or BDA respectively shall be independent contractors of the Board and/or BDA. 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 BDA respectively, under this Agreement unless any such claims are due to the fault of the City.

19.2 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.

## **XX. TAXES, LICENSES AND PERMITS**

20.1 To the extent required by law, BDA shall pay, on or before their respective due dates, to the appropriate collecting authority all federal, state, and local taxes and fees which are now or may hereafter be levied upon the Zone Property or upon BDA or upon the business conducted on the Zone Property or upon any of BDA's property used in connection therewith, including employment taxes; and BDA shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by BDA.

20.2 BDA shall include in the CPPR submission evidence of payment or exemption of the taxes and fees above.

## **XXI. PREVAILING WAGES**

21.1 The TIF program is a discretionary program, and the Board and BDA are each hereby advised that it is the policy of the City that the requirements of Chapter 2258 of the Texas Government Code, entitled "Prevailing Wage Rates," shall apply to TIF Development Agreements. BDA agrees that its construction contractor performing work the City funded portion of the Project will comply with City Ordinance No. 71312 and its successors such as ordinance No. 2008-11-20-1045 and will require subcontractors to comply with City Ordinance 71312 and its successors such as Ordinance No. 2008-11-20-1045 and shall not accept affidavits.

In accordance with the provisions of Chapter 2258 and Ordinance No. 2008-11-20-1045, BDA shall request upon advertisement of construction bids, and the City will provide BDA with the appropriate wage determination which includes the general prevailing rate of per diem wages in this locality for each craft or type of workman needed to perform the construction work. With respect to the City funded portion of the Project, BDA is required, and shall require its construction contractor and all subcontractors to comply with each updated schedule of the general prevailing rates in effect at the time that BDA calls for bids for construction of a given phase. With respect to the City funded portion of the Project, the Grantee is further required to cause the latest prevailing wage determination decision to be included in bids and contracts with BDA's general contractor and all subcontractors for construction of each Phase. BDA shall require its construction contractor to collect and monitor weekly certified payrolls and perform site visits to ensure the prevailing wage is being paid to all workmen. City will audit certified payroll records as deemed necessary by City to confirm compliance with this Agreement.

Upon audit of the records and certified payrolls under this section, should the City or its auditors find any wage violations, BDA shall cause its construction contractor to forfeit as a penalty to the City \$60.00 for each laborer, workman, or mechanic employed, for each calendar day, or portion thereof, that such laborer, workman, or mechanic is paid less than the said stipulated rates for any work done under said contract, by the contractor or any subcontractor. The establishment of prevailing wage rates in accordance with Chapter 2258, Texas Government Code shall not be construed to relieve BDA's contractor from its obligations under any federal or state law regarding the wages to be paid to or hours worked by laborers, workmen or mechanics insofar as applicable to the work to be performed under this Agreement. In accordance with the provisions of Chapter 2258 and Ordinance No. 71312, a schedule of the general prevailing rate

of per diem wages in this locality for each craft or type of workman needed to perform this Agreement is included as **Exhibit C**, and made a part of this Agreement. BDA is required, and shall require its subcontractors to comply with each updated schedule of the general prevailing rates in effect at the time the BDA calls for bids for construction of a given Phase. BDA is further required to cause the latest prevailing wage determination decision to be included in bids and contracts with BDA's general contractor and all subcontractors for construction of each Phase. BDA shall forfeit as a penalty to the City sixty dollars (\$60.00) for each laborer, workman, or mechanic employed, for each calendar day, or portion thereof, that such laborer, workman or mechanic is paid less than the said stipulated rates for any work done under said contract, by BDA or any subcontractor under BDA. The establishment of prevailing wage rates in accordance with Chapter 2258, Texas Government Code shall not be construed to relieve BDA from its obligation under any Federal or State Law regarding the wages to be paid to or hours worked by laborers, workmen or mechanics insofar as applicable to the work to be performed under this Agreement. BDA shall convene a pre-construction meeting to be held with any contractors and invite the Labor Compliance Office of the City to said meeting before proceeding with construction on any Phase.

## **XXII. CHANGES AND AMENDMENTS**

22.1 Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by the City, the Board and BDA and evidenced by passage of a subsequent City ordinance, as to the City's approval.

22.2 Notwithstanding the above, the phasing of the Construction Schedule may be amended by approval of the Board and the City, as evidenced by an agreement in writing between the Board and the Director of the Department of the City responsible for the management of the TIF Program, as long as the overall Final Project Plan and Final Financing Plans are not materially changed by such amendment. In the event an amendment to the phasing of the Construction Schedule will result in a material change to the overall Final Project Plan or Final Financing Plan, then such amendment shall comply with the requirements of paragraph 22.1, above. No change under this section may result in an increase in the maximum contribution of the City. BDA may rely on the determination of the Director of the Department of the City responsible for the management of the TIF Programs whether a change in the phasing of the Construction Schedule would result in a material change to the overall Final Project Plan and Final Financing Plans.

22.3 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable to the Board's and BDA's services hereunder may occur during the term of this Agreement and that any such changes shall be automatically incorporated into this Agreement without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

### **XXIII. SEVERABILITY**

23.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the charter, code, or ordinances of the City, then and in that event it is the intent of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. It is also the intent of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

### **XXIV. LITIGATION EXPENSES**

24.1 Under no circumstances will the Available Tax Increment Funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding regarding this Agreement against the City or any other public entity.

24.2 During the term of this Agreement, if the Board and/or BDA files and/or pursues an adversarial proceeding against the City regarding this Agreement without first engaging in good faith mediation of the dispute, then, at the City's option, all access to the funding provided for hereunder may be deposited with a mutually acceptable escrow agent that will deposit such funds in an interest bearing account.

24.3 The Board and/or BDA, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceedings regarding this Agreement against the City remains unresolved if it was initiated without first engaging in good faith mediation of the dispute.

24.4 For purposes of this Article, "adversarial proceedings" include any cause of action regarding this Agreement filed by the Board and/or BDA against the City in any state or federal court, as well as any state or federal administrative hearing, but does not include Alternate Dispute Resolution proceedings, including arbitration.

### **XXV. LEGAL AUTHORITY**

25.1 Each person executing this Agreement on behalf of the City, the Board or BDA, represents, warrants, assures and guarantees that he has have full legal authority to (i) execute this Agreement on behalf of the City, the Board and/or BDA, respectively and (ii) to bind the City, the Board and/or BDA to all of the terms, conditions, provisions and obligations herein contained.



## **XXVI. VENUE AND GOVERNING LAW**

26.1 This Contract shall be governed by the laws of the State of Texas.

26.2 Venue and jurisdiction arising under or in connection with this Contract shall lie exclusively in Bexar County, Texas.

Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Bexar County, Texas.

## **XXVII. PARTIES' REPRESENTATIONS**

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

## **XXVIII. CAPTIONS**

28.1 All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the parties hereto.

## **XXIX. ENTIRE AGREEMENT**

29.1 This written Agreement embodies the final and entire agreement between the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

29.2 The **Exhibits** attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that if there is a conflict between an **Exhibit** and a provision of this Agreement, the provision of this Agreement shall prevail over the **Exhibit**.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed on the date of the each signature below. In accordance with paragraph 1.15 above, this Agreement will become effective on the date of the last signature:

**CITY OF SAN ANTONIO**

**BROOKS DEVELOPMENT AUTHORITY**

\_\_\_\_\_  
SHERYL SCULLEY  
City Manager  
City of San Antonio  
Date: \_\_\_\_\_

\_\_\_\_\_  
BROOKS DEVELOPMENT AUTHORITY,  
a Defense Base Development Authority  
By:  
Date: \_\_\_\_\_

**BOARD OF DIRECTORS,  
TAX INCREMENT REINVESTMENT  
ZONE NUMBER SIXTEEN,  
CITY OF SAN ANTONIO, TEXAS**

**CITY CLERK**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Presiding Officer, Board of Directors  
Address: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Leticia M. Vacek  
City Clerk  
Date: \_\_\_\_\_

Approved as to form: \_\_\_\_\_

Martha G. Sepeda  
Acting City Attorney

Date: \_\_\_\_\_

# Exhibit A

## Brooks City Base Construction Schedule

Phase	Year	Projects	Cost of Projects
Dave Erwin Dr.	2015	Dave Erwin Dr. Rd. to Sidney Brooks	\$8,387,431.00
Unit 3 SNB	2016	Mission Solar to Lyster Rd.	\$3,606,500.00
Aviation Landing	2016	Lyster Rd to City Base Landing	\$5,368,093.00
Unit 4 SNB	2017	Lyster Rd to Presa Rd.	\$16,710,900.00
Unit 4 SNB	2017	Lyster Rd to Presa Rd. Environmental	\$1,140,000.00
Unit 5 SNB	2019	Presa Rd. to Loop 410	\$3,267,100.00
West Inner Circle	2019	EOC to Research	\$2,905,746.00
West Research Blvd	2021	Inner Circle to Property Line	\$2,848,632.00
West Research Blvd	2021	Property Line to S. Presa	\$1,943,472.00
		<b>Total</b>	<b>\$46,177,874.00</b>

## **EXHIBIT B**

### **Project Status Report**



**CITY OF SAN ANTONIO**  
**TAX INCREMENT REINVESTMENT ZONE**  
**Project Status Report**

Pursuant to the Development Agreement, the DEVELOPER has agreed to provide periodic reports of construction to the CITY upon reasonable request. The City requests that the Developer submit a TIRZ project status report every quarter every year until the project is complete, due by:

January 15<sup>th</sup>, for the first quarter,  
April 15<sup>th</sup>, for the second quarter,  
July 15<sup>th</sup>, for the third quarter and  
October 15<sup>th</sup>, for the fourth quarter.

At the completion of the project, the DEVELOPER shall submit a comprehensive final report.

Each quarterly report must include the following information:

- The number of Private Improvements completed (single-family and/or multi-family and commercial when applicable) and year in which they were completed
- The Public Improvements completed and costs incurred to date by year in which improvements were completed
- Indicate whether the construction is on track with the approved Final Project and Finance Plan
- If the project timeline has slipped, the Developer is to submit an updated project timeline
- The sale prices of the single-family homes completed (Please obtain and provide sales data for original sales price of every home sold.)
- Photos of: housing and commercial developments; before, during and after construction

In addition, for the City to monitor compliance with Sections 7.3 and 7.4 of the Development Agreement, the Developer must submit annually the Certificate of Insurance reflecting proof that:

- the City and its officers, employees and elected representatives are additional insureds as respects the operations and activities of, or on behalf of, the named insured contracting with the City, with the exception of the workers' compensation policy;
- the endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City of San Antonio is an additional insured shown on the policy;
- the Workers' Compensation and employers' liability policy provides a waiver of subrogation in favor of the City of San Antonio; and
- Notification to the City of any cancellation, non-renewal or material change in coverage was given not less than thirty (30) days prior to the change or ten (10) days prior to the cancellation due to non-payment of premiums, accompanied by a replacement Certificate of Insurance.

Attached is a form you may use to fulfill this reporting requirement.



<b>TIRZ Project Progress Report (Construction)</b>	
<b>Name of Project:</b>	<b>TIRZ #:</b>
<b>Progress Report #:</b>	<b>TIRZ Term:</b>
<b>Period Covered by this Report:</b>	<b>To:</b>
<b>From:</b>	<b>From:</b>

The number of Private Improvements (single-family and/or multi-family and commercial if applicable) completed and year in which they were done

		Private Improvements									
	start date	end date	Single-family		Multi-family		Commercial		Public Improvements		Completed
			Proposed	Completed	Proposed	Completed	Proposed	Completed	Proposed	Completed	
2											
4											
6											
8											
10											

The Public Improvements completed and costs incurred to date by year (phase) in which improvements occurred

Phase (year)	start date	end date	Linear Feet	Public Improvements										Number	Number/Location	LI.Ft.
				Sidewalks and Bike Paths	Streets	Drainage	LI.Ft.	LI.Ft.	LI.Ft.	LI.Ft.	LI.Ft.	LI.Ft.	LI.Ft.			
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
TOTALS																

➤ Is Construction on track with the approved Final Project and Finance Plan? If not, please submit an updated timeline with the actual construction and the projected buildout.

FILE: UNIT\Procedural Manual\Project Status Report - final11-03.doc

Year	Original Project Plan			Actual/Projected	
	Single-Family	Multi-Family	Other	Single-Family	Multi-Family
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					

<b>Certification:</b> I certify, that to the best of my knowledge and belief, the data above is correct and that all outlays were made in accordance with the terms of the Development Agreement.	Signature of Certifying Individual:		Date:
	Type or printed Name and Title:		Telephone #:

**EXHIBIT C**  
**Prevailing Wage Rates**

General Decision Number: TX150016 01/02/2015 TX16

Superseded General Decision Number: TX20140016

State: Texas

Construction Types: Heavy and Highway

Counties: Atascosa, Bandera, Bastrop, Bell, Bexar, Brazos, Burleson, Caldwell, Comal, Coryell, Guadalupe, Hays, Kendall, Lampasas, McLennan, Medina, Robertson, Travis, Williamson and Wilson Counties in Texas.

HEAVY (excluding tunnels and dams, not to be used for work on Sewage or Water Treatment Plants or Lift / Pump Stations in Bell, Coryell, McLennan and Williamson Counties) and HIGHWAY Construction Projects

Note: Executive Order (EO) 13658 establishes an hourly minimum wage of \$10.10 for 2015 that applies to all contracts subject to the Davis-Bacon Act for which the solicitation is issued on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.10 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Modification Number	Publication Date
0	01/02/2015



\* SUTX2011-006 08/03/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving and Structures).....	\$ 12.56	
ELECTRICIAN.....	\$ 26.35	
FORM BUILDER/FORM SETTER Paving & Curb.....	\$ 12.94	
Structures.....	\$ 12.87	
LABORER Asphalt Raker.....	\$ 12.12	
Flagger.....	\$ 9.45	
Laborer, Common.....	\$ 10.50	
Laborer, Utility.....	\$ 12.27	
Pipelayer.....	\$ 12.79	
Work Zone Barricade Servicer.....	\$ 11.85	
PAINTER (Structures).....	\$ 18.34	
POWER EQUIPMENT OPERATOR: Agricultural Tractor.....	\$ 12.69	
Asphalt Distributor.....	\$ 15.55	
Asphalt Paving Machine.....	\$ 14.36	
Boom Truck.....	\$ 18.36	
Broom or Sweeper.....	\$ 11.04	
Concrete Pavement Finishing Machine.....	\$ 15.48	
Crane, Hydraulic 80 tons or less.....	\$ 18.36	
Crane, Lattice Boom 80 tons or less.....	\$ 15.87	
Crane, Lattice Boom over 80 tons.....	\$ 19.38	
Crawler Tractor.....	\$ 15.67	
Directional Drilling Locator.....	\$ 11.67	
Directional Drilling Operator.....	\$ 17.24	
Excavator 50,000 lbs or Less.....	\$ 12.88	
Excavator over 50,000 lbs...\$	17.71	
Foundation Drill, Truck Mounted.....	\$ 16.93	
Front End Loader, 3 CY or Less.....	\$ 13.04	
Front End Loader, Over 3 CY.\$	13.21	
Loader/Backhoe.....	\$ 14.12	
Mechanic.....	\$ 17.10	
Milling Machine.....	\$ 14.18	
Motor Grader, Fine Grade....\$	18.51	
Motor Grader, Rough.....\$	14.63	
Pavement Marking Machine....\$	19.17	

Reclaimer/Pulverizer.....	\$ 12.88
Roller, Asphalt.....	\$ 12.78
Roller, Other.....	\$ 10.50
Scraper.....	\$ 12.27
Spreader Box.....	\$ 14.04
Trenching Machine, Heavy....	\$ 18.48
Servicer.....	\$ 14.51
Steel Worker	
Reinforcing.....	\$ 14.00
Structural.....	\$ 19.29
TRAFFIC SIGNAL INSTALLER	
Traffic Signal/Light Pole	
Worker.....	\$ 16.00
TRUCK DRIVER	
Lowboy-Float.....	\$ 15.66
Off Road Hauler.....	\$ 11.88
Single Axle.....	\$ 11.79
Single or Tandem Axle Dump	
Truck.....	\$ 11.68
Tandem Axle Tractor w/Semi	
Trailer.....	\$ 12.81
WELDER.....	\$ 15.97

-----

WELDERS - Receive rate prescribed for craft performing  
operation to which welding is incidental.

=====

Unlisted classifications needed for work not included within  
the scope of the classifications listed may be added after  
award only as provided in the labor standards contract clauses  
(29CFR 5.5 (a) (1) (ii)).

-----

The body of each wage determination lists the classification  
and wage rates that have been found to be prevailing for the  
cited type(s) of construction in the area covered by the wage  
determination. The classifications are listed in alphabetical  
order of "identifiers" that indicate whether the particular  
rate is a union rate (current union negotiated rate for local),  
a survey rate (weighted average rate) or a union average rate  
(weighted union average rate).

#### Union Rate Identifiers

A four letter classification abbreviation identifier enclosed  
in dotted lines beginning with characters other than "SU" or

"UAVG" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

#### Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

#### Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

---

#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====  
END OF GENERAL DECISION

## **EXHIBIT D**

### **Form and Requirements of Contract Progress Payment Request**





**CITY OF SAN ANTONIO**  
**Sample Packet**  
**TIRZ Reimbursement Forms and Process**

**NOTE: If you are seeking reimbursement for infrastructure costs, please fill this form. If you are seeking payment of infrastructure/construction costs from Debt Proceeds, please fill out the other form attached to Exhibit D.**

Prior to submitting an invoice to request reimbursement, the developer must submit to the TIF Unit:

- All approved Master Development Plans (MDPs), recorded plats, City approved construction plans and inspections
- Copies of the payment and performance bond in accordance with executed Development Agreement
- Proof of compliance of the Bidding Policies must accompany the invoices submitted to include, but is not limited to: Publication of request for proposals, list of bidders, rating of bidders, and reason for choosing bidder (*Please refer to City's policy on Bidding Requirements.*)
- Letters of acceptance from City departments or other agencies certifying the public infrastructure was constructed and accepted in accordance with all applicable rules, regulations and codes.

When submitting an invoice for reimbursement, a summary page (refer to Sample Packet, page 2) must accompany all invoices to include related project name, invoice number, period covered by invoices and phase covered by invoices. Invoices must be submitted in the categories listed in the approved Final Finance Plan Sources and Uses page. The Sources and Uses page is broken down into phases and categories on a forecasted maximum allowable cost.

Each category should have their own separate summary page (refer to Sample Packet, page 2) itemizing invoices submitted in each appropriate category. The summary page will need to include maximum allowable cost, actual invoice amount, Plat or MDP number (if applicable) and method of payment. This maximum allowable cost is the forecasted amount that was projected for each category in the phase.

A receipt and/or a cancelled check must accompany each invoice to qualify for reimbursement. The invoice must refer to the related project. The dates and amount on invoices must coincide with receipt or cancelled checks. The invoice total must calculate correctly and tie to the summary page.

Each column is defined below: (refer to Sample Packet, page 2)

- **Column A** is the category from the Sources and Uses page for projected expenses
- **Column B** is the forecasted maximum allowable cost per the Final Finance Plan
- **Column C** is the actual developer's expense
- **Column D** is the amount of prior requests
- **Column E** is the balance column. The balance is the difference between the projected expenses and the actual developer's expenses. (The balance column will be used for internal tracking purposes only.)

**\* All Invoice Payments must be accompanied by:**

- **Release of Lien**
- **Must Reference the Project**

- Only those categories outlined in the approved Final Finance Plan are eligible expenses for reimbursement.

<b>(SAMPLE) Reimbursement for TIRZ Expenses</b>					
<b>Project Name:</b> NAD Residential TIRZ		<b>Period covered by this Invoice:</b> 12/02--8/03			
<b>Invoice#:</b> One (1)		<b>Phase(s) covered by this Invoice:</b> Phases 1, 2, & 3			
Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1	Site Work	44,200	40,624	0	3,576
2	Contingency	192,500	199,215	0	-6,715
3	Driveway Approach	20,000	22,972	0	-2,972
4	Engineering Survey	50,050	50,000	0	50
5	Construction Management	150,150	200,000	0	-49,850
6	Infrastructure Cost	144,375	100,000	0	44,375
7	Legal and Formation Fees	26,950	21,000	0	5,950
8	Organizational Cost	61,600	60,000	0	1,600
9	Project Cost	10,000	11,500	0	-1,500
10	Regional Storm Water Improvements	20,800	35,000	0	-14,200
11	Sanitary Sewer	15,000	10,000	0	5,000
12	Sidewalks	30,000	28,250	0	1,750
13	Street Lights	86,163	86,100	0	63
14	Water	10,000	11,000	0	-1,000
<b>TOTAL</b>		<b>861,788</b>	<b>875,661</b>	<b>0</b>	<b>-13,873</b>

Financing Cost does not accrue interest

\*\*The Balance Column is used for Tracking purposes only

All Invoice Payments must be accompanied by:

Receipt or Cancelled Check  
Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

<b>CERTIFICATION:</b>  I certify that to the best of my knowledge and belief the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	<b>Signature of Certifying Financial Official</b>	<b>Signature of Certifying Engineer</b>
	<b>Typed or printed Name and Title</b>	<b>Typed or printed Name &amp; Title</b>
	<u>John Doe, CPA</u>	<u>John Smith, Engineer</u>
	<b>DATE:</b> _____	<b>DATE:</b> _____

### Reimbursement for TIRZ Expenses

<b>Project Name:</b>	<b>Period covered by this invoice:</b>
<b>Invoice#:</b>	<b>Phase(s) covered by this invoice:</b>

Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
	<b>TOTAL</b>				

Financing Cost does not accrue interest

\*\*The Balance Column is used for Tracking purposes only

All Invoice Payments must be accompanied by:

Receipt or Cancelled Check  
Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

<b>CERTIFICATION:</b>  I certify, that to the best of my knowledge and belief, the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	<b>Signature of Certifying Financial Official</b>  _____ Typed or printed Name and Title: _____  Signature: _____ DATE: _____	<b>Signature of Certifying Engineer</b>  _____ Typed or printed Name & Title: _____  Signature: _____ DATE: _____
--	---	---

<b>(SAMPLE) Reimbursement for TIRZ Expenses</b>	
<b>Project Name:</b>	<b>Period covered by this invoice:</b>
NAD Residential TIRZ	12/02---8/03
<b>Invoice #:</b>	<b>Phase covered by this invoice:</b>
One (1)	Phases 1,2, & 3

Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
Dirt Movers Inc.	00451364		1520	10,000		Ck# 2140
Dirt Movers Inc.	145246		1555	22,000		Ck# 2141
Dirt Movers Inc.	783581		1600	2,500		Ck# 2142
Dirt Movers Inc.	891771		1680	1,124		Ck# 2142
Dirt Movers Inc.	157863146		1685	5,000		Ck# 2144
<b>Total</b>		<b>44,200</b>		<b>40,624</b>	<b>3,576</b>	

<b>Reimbursement for TIRZ Expenses</b>						
<b>Project Name:</b>			<b>Period covered by this invoice:</b>			
<b>Invoice #:</b>			<b>Phase covered by this invoice:</b>			
Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
<b>Total</b>						

<b>(SAMPLE) Reimbursement for TIRZ Expenses</b>						
<b>Project Name:</b>				<b>Period covered by this Invoice:</b>		
NAD Residential TIRZ				12/02--8/03		
<b>Invoice #:</b>				<b>Phase covered by this Invoice:</b>		
One (1)				Phases 1,2, & 3		
Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
NAD Contractors	00451364		2020	\$165,000		Ck# 2523
<b>Total</b>		<b>\$192,500</b>		<b>\$165,000</b>	<b>\$27,500</b>	

<b>Reimbursement for TIRZ Expenses</b>						
<b>Project Name:</b>				<b>Period covered by this Invoice:</b>		
<b>Invoice #:</b>				<b>Phase covered by this Invoice:</b>		
Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
<b>Total</b>						



<b>(SAMPLE) Reimbursement for TIRZ Expenses</b>						
<b>Project Name:</b>				<b>Period covered by this invoice:</b>		
NAD Residential TIRZ				12/02--8/03		
<b>Invoice #:</b>				<b>Phase covered by this invoice:</b>		
One (1)				Phases 1,2, & 3		
Section 3	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Parkway						
Fast City Contractors	3574216		123	\$12,972		Ck# 8989
			456	\$4,500		Ck# 8989
			789	\$5,500		Ck# 8989
<b>Total</b>		<b>\$20,000</b>		<b>\$22,972</b>	<b>-\$2,972.00</b>	

<b>Reimbursement for TIRZ Expenses</b>						
<b>Project Name:</b>				<b>Period covered by this invoice:</b>		
NAD Residential TIRZ				12/02--8/03		
<b>Invoice #:</b>				<b>Phase covered by this invoice:</b>		
One (1)				Phases 1,2, & 3		
Section 3	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Parkway						
<b>Total</b>						



## **CITY OF SAN ANTONIO TIRZ Debt Proceeds Payment Forms**

**NOTE: If you are seeking payment of infrastructure construction costs from debt proceeds, please utilize this. If you are seeking reimbursement for infrastructure costs, please fill out the other form attached to Exhibit D.**

Prior to submitting an invoice for payment of construction expenses, the developer must submit to the TIF Unit:

- All approved Master Development Plans (MDPs), recorded plats, City approved construction plans and inspections
- Copies of the payment and performance bond in accordance with executed Development Agreement
- Proof of compliance of the Bidding Policies must accompany the invoices submitted to include, but is not limited to: Publication of request for proposals, list of bidders, rating of bidders, and reason for choosing bidder (*Please refer to City's policy on Bidding Requirements.*)
- Proof of compliance with Prevailing Wages
- All insurance forms required in the Development Agreement
- After construction of infrastructure is completed, letters of acceptance from City departments or other agencies certifying the public infrastructure was constructed and accepted in accordance with all applicable rules, regulations and codes must be submitted.

When submitting an invoice for payment, the developer must submit the developer shall submit current standard AIA forms referred to as "Application and Certificate for Payment" and "Schedule of Values."

## **EXHIBIT E**

### **City of San Antonio's Discretionary Contracts Disclosure Form**

**City of San Antonio  
Discretionary Contracts Disclosure**

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)  
Attach additional sheets if space provided is not sufficient.*

**(1) Identify any individual or business entity that is a party to the discretionary contract.**

**(2) Identify any individual or business entity which is a partner, parent or subsidiary business entity of any individual or business entity identified above in Box (1).**

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

**(3) Identify any individual or business entity that would be a subcontractor on the discretionary contract.**

☐ No subcontractor(s); or

List subcontractors:

**(4) Identify any lobbyist or public relations firm employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.**

☐ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

<sup>1</sup> A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

**(5) Political Contributions:**  
 Total political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3), or (4) above, or by the officers, owners, or any business entity listed in Box (1), (2) or (3).

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

**(6) Disclosures in Proposals:**  
 An individual or business entity seeking a discretionary contract with the City must disclose any known facts which reasonably understood raise a question as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code) ("conflicts of interest") by participating in official action relating to the discretionary contract.

☐ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature:	Title:  Company or D/B/A:	Date:
------------	---------------------------------	-------

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.



**EXHIBIT F**  
**SBEDA Contract Provisions**

**CONTRACT PROVISIONS.** Each contract to which the SBEDA Ordinance applies shall include the provisions set forth below.

**SBEDA Program.** The CITY has adopted a Small Business Economic Development Advocacy Ordinance (the "SBEDA Program"), which is posted on the City's Economic Development Department website and is also available in hard copy form upon request to the CITY. In addition to the definitions provided in the SBEDA Program, the following definitions will apply pursuant to SBEDA Program requirements and this Agreement:

**SBEDA Enterprise ("SE")** – A corporation, limited liability company, partnership, individual, sole proprietorship, joint stock company, joint venture, professional association or any other legal entity operated for profit that is properly licensed, as applicable, and otherwise authorized to do business in the state of Texas and certified pursuant to SBEDA Program requirements.

**Commercially Useful Function** – A function performed by an SE when it is responsible for supplying goods or for execution of a distinct element of the work of a contract and carrying out its responsibilities by actually performing, managing and supervising the work involved. To determine whether an SE is performing a Commercially Useful Function, the amount of work subcontracted, industry practices and other relevant factors shall be evaluated. Commercially Useful Function is measured for purposes of determining participation on a contract, not for determination of certification eligibility.

**Conduit** – An SE that knowingly agrees to pass the scope of work for which it is listed for participation, and is scheduled to perform or supply on the contract, to a non-SE firm. In this type of relationship, the SE has not performed a Commercially Useful Function and the arranged agreement between the two parties is not consistent with standard industry practice. This arrangement does not meet the Commercially Useful Function requirement and therefore the SE's participation does not count toward the SE utilization goal.

**SBEDA Plan** – The Good Faith Effort Plan ("GFEP"), SBEDA Narrative, List of Subcontractors/Suppliers and executed Letters of Intent (all as applicable) that are submitted with CONTRACTOR's bid for this project Agreement, attached hereto and incorporated herein as "Attachment \_\_\_\_\_".

**For this Agreement, the Parties agree that:**

- (a) The terms of the CITY's SBEDA Ordinance, as amended, together with all requirements and guidelines established under or pursuant to the Ordinance (collectively, the "SBEDA Program") are incorporated into this Agreement by reference; and
- (b) The failure of CONTRACTOR or any applicable SE to comply with any provision of the SBEDA Program shall constitute a material breach of the SBEDA Program and this Agreement.

- (c) Failure of CONTRACTOR or any applicable SE to provide any documentation or written submissions required by the CITY Managing Department or SBEDA Program Office pursuant to the SBEDA Program, within the time period set forth by the SBEDA Program Office, shall constitute a material breach of the SBEDA Program and this Agreement.
- (d) During the Term of this Agreement, and any renewals thereof, any unjustified failure to utilize good faith efforts to meet, and maintain, the levels of SE participation identified in CONTRACTOR's SBEDA Plan ("Attachment \_\_\_\_") shall constitute a material breach of the SBEDA Program and this Agreement.
- (e) CONTRACTOR shall pay all suppliers and subcontractors identified in its SBEDA Plan ("Attachment \_\_\_\_") in a timely manner for satisfactory work, pursuant to and as outlined in Section VII, Paragraph F(2)(e) of the SBEDA Ordinance, as amended. Documentation of all billing and payment information applicable to SBEDA Plan suppliers and subcontractors shall be submitted by CONTRACTOR to the CITY Managing Department. Failure to pay SEs in a timely manner or submit the required billing and payment documentation shall constitute a material breach of this Agreement.

**The Parties also agree that the following shall constitute a material breach of the SBEDA Program and this Agreement:**

- (a) Failure of CONTRACTOR to utilize an SE that was originally listed at bid opening or proposal submission to satisfy SBEDA Program goals in order to be awarded this Agreement, or failing to allow such SE to perform a Commercially Useful Function; and
- (b) Modification or elimination by CONTRACTOR of all or a portion of the scope of work attributable to an SE upon which the Agreement was awarded; and
- (c) Termination by CONTRACTOR of an SE originally utilized as a Subcontractor, Joint Venturer, Supplier, Manufacturer or Broker in order to be awarded the Agreement without replacing such SE with another SE performing the same Commercially Useful Function and dollar amount, or without demonstrating each element of Modified Good Faith Efforts to do so; and
- (d) Participation by CONTRACTOR in a Conduit relationship with an SE scheduled to perform work that is the subject of this Agreement.

**Remedies for Violation of SBEDA Program.** The Parties further agree that in addition to any other remedies the CITY may have at law or in equity, or under this Agreement for material breach, including the specified remedies available under the SBEDA Program for Alternative Construction Delivery Method, the CITY shall be entitled, at its election, to exercise any one or more of the following remedies if the CONTRACTOR materially breaches the requirements of the SBEDA Program:

- (a) Terminate this Agreement for default;
- (b) Suspend this Agreement for default;
- (c) Withhold all payments due to the CONTRACTOR under this Agreement until such violation has been fully cured or the Parties have reached a mutually agreeable resolution; and/or
- (d) Offset any amounts necessary to cure any material breach of the requirements of the SBEDA Program from any retainage being held by the CITY pursuant to the Agreement, or from any other amounts due to the CONTRACTOR under the Agreement.
- (e) Suspension, Revocation or Modification of SE Certification: The SBEDA Program Office may suspend or revoke an offending SE's eligibility for Certification, and may suspend its participation from counting toward a project goal, based upon such SE's acting as a Conduit, failing to comply with the provisions of the SBEDA Program, failing to perform a Commercially Useful Function on a project, failing to submit information as required by the SBEDA Program Office, submitting false, misleading or materially incomplete statements, documentation or records, or failing to cooperate in investigations. The SBEDA Program Office may further modify the list of areas for which an SE is certified, if the SE is routinely failing to submit bids or proposals for work in a particular area, or if it becomes apparent that the SE is not qualified to perform work in a particular area.

The Parties agree that nothing in the SBEDA Program or that any action or inaction by the SBEDA Program Office or the SBEDA Program Manager shall be deemed a representation or certification that an SE is qualified to perform work in a particular area for the purposes of this Agreement.

*The remedies set forth herein shall be deemed cumulative and not exclusive and may be exercised successively or concurrently, in addition to any other available remedy.*

**City Process For Exercising SBEDA Program Remedies.** The SBEDA Program Manager shall make all decisions regarding the suspension or revocation of an SE's certification as well as the duration of such suspension or revocation. The SBEDA Program Manager shall make a recommendation to the Managing Department Director regarding appropriate remedies for the CITY to exercise in the event a Contractor violates the SBEDA Program. The Managing Department Director responsible for the affected Agreement shall then make the decision as to what remedies will be exercised if the Agreement is valued at less than \$25,000. If the Agreement is valued at \$25,000 or greater, then the Managing Department Director shall make a recommendation regarding appropriate remedies to the City Manager or designee, who shall have final approval regarding the remedy to be exercised except for termination of the Agreement. If the recommended remedy is to terminate the Agreement, then the Managing Department

Director or City Manager, or her designee, shall bring forward the recommendation to City Council for final determination.

**Special Provisions for Extension of Agreements.** In the event the CITY extends this Agreement without a competitive Bid process, the CITY Managing Department responsible for monitoring the Agreement shall establish the following, subject to review and approval by the SBEDA Program Manager:

- (a) a SBEDA Utilization Goal for the extended period; and
- (b) a modified version of the Good Faith Efforts ("Modified Good Faith Efforts Plan") set forth in the SBEDA Program Ordinance, as amended, if CONTRACTOR does not meet the SBEDA Utilization Goal; and
- (c) the required minimum Good Faith Efforts outreach attempts that CONTRACTOR shall be required to document in attempting to meet the SBEDA Utilization Goal. The SBEDA Utilization Goal, Modified Good Faith Efforts Plan and the required number of minimum Good Faith Efforts outreach attempts shall be added into the Agreement extension document. The CONTRACTOR entering into the extension shall either meet the SBEDA Utilization Goal or document that it has made the Good Faith Efforts to meet the SBEDA Utilization Goal. Failure to do so shall:
  - (i) subject CONTRACTOR to any of the remedies listed above; and/or
  - (ii) result in rebid of the Agreement to be extended.