

## BUSINESS INCENTIVE PROJECT SERVICE AGREEMENT

This Business Incentives Project Service Agreement ("Project Service Agreement") is entered into between the Corpus Christi Business and Job Development Corporation ("Type A Corporation") and the City of Corpus Christi, Texas ("City").

WHEREAS, the Texas Legislature in Section 4A of Article 5190.6, Vernon's Texas Revised Civil Statutes (Development Corporation Act of 1979), now codified as Subtitle C1, Title 12, Texas Local Government Code ("the Act"), empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens;

WHEREAS, on November 5, 2002, residents of the City passed Proposition 2, New and Expanded Business Enterprises, which authorized the adoption of a sales and use tax for the promotion and development of new and expanded business enterprises at the rate of one-eighth of one percent to be imposed for 15 years;

WHEREAS, the 1/8 cent sales tax authorized by passage of Proposition 2 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2003, to be administered by the Type A Corporation's Board of Directors ("Board");

WHEREAS, the Type A Corporation exists for the purposes of encouraging and assisting entities in the creation of jobs for the citizens of Corpus Christi, Texas;

WHEREAS, the City Council approved the Corporation's amended Guidelines and Criteria for Granting Business Incentives on September 18, 2007, which the City Council incorporated into the City of Corpus Christi Economic Development Incentive Policies 2009-2011 on November 17, 2009;

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures of the Type A Corporation;

WHEREAS, HEB Grocery Company, LP ("HEB") has submitted a proposal to the Type A Corporation for a \$850,000 grant for repairing McCampbell Road in front of their existing manufacturing and distribution facilities;

WHEREAS, the Board has determined that it is in the best interests of the citizens of Corpus Christi, Texas, to fund HEB's repair of McCampbell Road in front of their existing manufacturing and distribution facilities; and

WHEREAS, the Type A Corporation, HEB has executed a business incentives agreement for the creation and retention of jobs related to HEB repair of McCampbell Road in front of their existing manufacturing and distribution facilities; and

In consideration of the covenants, promises, and conditions stated in this Project Service Agreement, the Type A Corporation and the City agree as follows:

**1. Project Service Agreement to Implement Business Incentives Agreement.** This Project Service Agreement between the City and the Type A Corporation is executed to implement the Business Incentive Agreement for the Creation of Jobs between the Type A Corporation and

HEB related to HEB's repair of McCampbell Road in front of their existing manufacturing and distribution facilities in Corpus Christi ("Business Incentive Agreement").

**2. Term.** The term of this Project Service Agreement runs concurrently with the term of the Business Incentive Agreement.

**3. Services to be Provided by City.**

a. The City Manager or designee shall administer funding on behalf of the Type A Corporation.

b. The City Manager or designee shall perform contract administration responsibilities outlined in the Business Incentive Agreement for the Type A Corporation.

**4. Appropriation of Funds.** Any future payments by the City are subject to appropriation of funds by City Council.

**5. Effective Date.** The effective date of this Project Service Agreement is the latest date that either party executes this Agreement.

**6. Amendments or Modifications.** No amendments or modifications to this Project Service Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign agreements on behalf of each party.

**7. Severability.**

a. If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Project Service Agreement or the application of this Project Service Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Project Service Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the parties to this Project Service Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Project Service Agreement be given full force and effect for its purpose.

b. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Project Service Agreement, then the remainder of this Project Service Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Project Service Agreement automatically.

**8. Captions.** The captions in this Project Service Agreement are for convenience only and are not a part of this Project Service Agreement. The captions do not in any way limit or amplify the terms and provisions of this Project Service Agreement.

**The City of Corpus Christi**

**Corpus Christi Business &  
Job Development Corporation**

\_\_\_\_\_  
Ronald L. Olson  
City Manager  
Date: \_\_\_\_\_

\_\_\_\_\_  
Robert Tamez  
President  
Date: \_\_\_\_\_

Attest

\_\_\_\_\_  
Armando Chapa  
City Secretary