CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WILLOW PARK, TEXAS AND PULIDO'S WESTLAND WILLOW PARK, LLC

This Chapter 380 Economic Development Agreement (this "Agreement") is entered into this _____ day of _____, 2025, by and between Pulido's Westland Willow Park, LLC, hereinafter referred to as "Business Developer," a Texas limited liability company, and the City of Willow Park, Texas, hereinafter referred to as "City", a Texas Type A general law city.

FACTUAL RECITALS AND FINDINGS

WHEREAS, the City Council of the City has adopted a resolution (the "Resolution"), authorizing the City to make certain performance-based economic development grants as an incentive to the Business Developer in recognition of the positive economic benefits which will accrue to the City through the Business Developer's efforts to renovate and operate a restaurant, called the Pulido's Kitchen & Cantina, to be located at 104 S. Ranch House Rd., Willow Park, Texas (the "Project"); and

WHEREAS, the Business Developer estimates the total construction/renovation costs of the Project to be approximately FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) and that the Project will produce annual taxable sales of approximately TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00); and

WHEREAS, the Business Developer estimates that development and operation of the Project will result in the creation of the equivalent of approximately forty (40) part-time and full-time jobs; and

WHEREAS, the Business Developer approached the City and requested an economic incentive in order to induce the Business Developer to develop the Project within the City; and

WHEREAS, the City recognizes that development of the Project in the City represents an opportunity to provide significant economic benefit and opportunities for its citizens; and

WHEREAS, the City desires to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City desires to offer incentives to the Business Developer over a period of time to induce Business Developer to develop the Project in the City and to enable the Business Developer to develop and operate the Project successfully in a manner that will be of lasting and significant benefit to the City; and

WHEREAS, the City finds that development of the Project will add significant new revenues to the City's tax base, both and ad valorem and sales tax, and will create jobs, which will promote state and local economic development and stimulate business and commercial activity in the City thereby enhancing the economic stability and growth of the City.

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Business Developer agree as follows:

Agreements

1. Authorization. The City's execution of this Agreement is authorized by the *Texas Constitution*, Article III, §52-a and by Chapter 380, *Texas Local Government Code*, and by the Resolution and constitutes a valid and binding obligation of the City. The Business Developer's execution and performance of this Agreement constitutes a valid and binding obligation of Business Developer if the Business Developer proceeds with the development of the Project. The City acknowledges that the Business Developer is acting in reliance upon the City's performance of its obligations under this Agreement in making its decision to commit substantial resources and money to develop the Project and Business Developer acknowledges that City is acting in reliance upon Business Developer's full and complete performance of its obligations under this Agreement in making its decision to commit substantial resources to this Project.

Section 380.001 of the Texas Local Government Code authorizes cities to establish one or more programs to promote local economic development and to stimulate business and commercial activity in the city. The City desires to encourage businesses that will enhance City sales tax and other tax revenues to locate or maintain a place of business within the City. The Project will enhance the City's sales tax and ad valorem tax revenues. By this Agreement, the City establishes an economic development program for the Project.

2. Definitions. In this Agreement:

Comptroller means the Comptroller of Public Accounts of the State of Texas, or whatever person, position, or office is designated by law to administer the collection, reporting, and distribution of sales taxes.

Person means an individual, sole proprietorship, partnership, limited partnership, corporation, or any other legal entity.

Sales Tax means the one percent (1.00%) municipal sales and use tax adopted by the City under the authority of the *Texas Tax Code*, Chapter 321 and available for general fund purposes. Sales Tax expressly excludes the one-half percent (.50%) municipal sales and use tax to be used to reduce property taxes, and any Sales Tax generated by the sale of alcohol, including, the Mixed Beverage Sales Tax and the Mixed Beverage Gross Receipts Tax.

Sales Tax Reports means the monthly reports furnished by the Business Developer to the Comptroller pursuant to Texas Tax Code Section 321.302, including the reports more fully described in Section 5(e) of this Agreement.

3. City Council Findings. By approval of this Agreement, the City Council of the City finds that each of the factual findings and recitals set forth above are found to be true and correct for all purposes and are hereby incorporated into the body of this Agreement.

4. Business Developer Obligations.

- (a) The Business Developer agrees that:
- (1) The Project will be constructed/renovated in accordance with all applicable laws, including, without limitation, all applicable City codes and standards.
- (2) The Project will be open for business no later than January 1, 2026.
- (3) The Project must remain open for business to the public (during normal store hours set by the Business Developer in its reasonable discretion, but not less than fifty (50) hours a week) for the term of this Agreement, except any days during which no business is conducted because of the actions of the Business Developer's landlord, casualty, condemnation, repairs, environmental remediation or investigation, or any other reason that is beyond the reasonable control of Business Developer including, but not limited to, those reasons referenced in Paragraph 7 (b) of this Agreement, except for any economic reasons, including, without limitation, low restaurant sales, credit reasons, or any other reasons related to financial considerations.
- (b) New Sales Tax Revenue and Operation of New Store. For the Business Developer to receive the economic incentive payments described in this Agreement, the Business Developer must generate new Sales Tax and must open and operate a restaurant known as the Pulido's Kitchen & Cantina at 104 S. Ranch House Road, Willow Park, Texas, in accordance with the terms of this Agreement.
- (c) Reports and Information. Beginning in January 2026, and each month thereafter during the term of this Agreement, the Business Developer will provide the City with true and correct copies of its monthly Sales Tax Reports filed with the Comptroller for sales from the preceding month. All information provided by Business Developer to the City under this subsection shall be sent to the attention of the City's City Manager at the address specified for giving notice in this Agreement. The reports and information provided by the Business Developer to the City is private, proprietary, and confidential, and in no manner shall it become a public record of the City. Notwithstanding the foregoing, Business Developer understands and agrees that the City is subject to the Texas Public Information Act (the "Act'), Texas Government Code Chapter 552. In the event that the City receives an open records request for reports and information provided to the City, the City will promptly notify Business Developer of the request and

cooperate with Business Developer to seek an Attorney General's opinion as to whether the information must be produced to the requestor. Business Developer shall be responsible for asserting its rights under the Act and shall bear any costs and expenses incident to asserting its rights of confidentiality under the Act, including any legal fees, costs and expenses related to an appeal of the Attorney General's opinion through the prosecution of a lawsuit or otherwise.

5. Economic Development Program and Incentive Payments.

- (a) <u>Establishment of 380 Economic Development Program</u>. As consideration for Business Developer's contractual obligations hereunder, the City establishes an economic development program pursuant to Chapter 380, Texas Local Government Code to be known as the "**Pulido's Kitchen & Cantina Economic Development Program**".
- (b) <u>Incentive Payment and Limitations</u>. To provide an incentive to induce Business Developer to develop the Project in the City, the City will pay Business Developer an annual economic development incentive grant in an amount equal to the Sales Tax the City receives from the Project beginning on January 1, 2026 and ending two (2) years later on December 31, 2027 in accordance with the following percentages and schedule:

SCHEDULE OF SALES TAX REBATES

YEAR	PERCENTAGE OF SALES TAX
01/01/26 - 12/31/26	50%
01/01/27 - 12/31/27	50%

The annual payments will be based on Sales Tax Reports received from the Comptroller and the Business Developer regarding the Sales Tax generated by the Project. The City has no obligation to pay the annual payment unless the City receives (i) Sales Tax Reports for the Project; and (ii) other sales or Sales Tax data from the Business Developer for the Project as provided in subsection (e).

- (c) <u>Time of Payments.</u> Each annual payment to Business Developer will be made within thirty (30) days after January 31st (for sales from the preceding January 1 through December 31) if the City has received the Sales Tax Reports and any reports from Business Developer required by this Agreement. The due date for a payment will be extended by the number of days after January 31st that the City receives from the Business Developer, its Sales Tax Reports and/or any data used to compute the Performance–Based Incentive related to the preceding year. The Business Developer will be eligible to receive its first payment following January 31, 2027.
- (d) The annual payments to Business Developer under this Agreement, collectively, shall not exceed One Hundred Thousand Dollars (\$100,000.00), such amount to be referred to herein as the "Chapter 380 Payments Maximum". In no event shall the payments made under this Agreement exceed the Chapter 380 Payments Maximum. The City's

obligations to pay the Business Developer the annual payments provided herein shall end upon paying the Business Developer the Chapter 380 Payments Maximum.

- (e) <u>Sales Tax Reports</u>. The City may request each year from the Comptroller Sales Tax Reports as provided in Section 321.3022, *Texas Tax Code*, establishing the annual amount of Sales Tax remitted by the Business Developer for the Project. The Business Developer will provide the City any permission required by section 321.3022(d), *Texas Tax Code*, in order for the City to obtain the Sales Tax Reports. In addition, the Business Developer shall provide its Sales Tax Reports filed with the Comptroller as provided herein and shall provide the City a report or other information that shows the amount of Sales Tax attributable to the Project for the year upon which payment is sought. If the Business Developer disagrees with the amount of Sales Tax attributable to the Project as reflected in the Sales Tax Reports, or if for any reason the Comptroller does not or cannot provide the Sales Tax Reports to the City, the Business Developer shall have the obligation to submit to the City other evidence of the amount of Sales Tax the City receives for the Project. The City agrees to examine such reports and evidence in good faith and make payments or adjustments in payments based on such evidence, to the extent that the evidence is verifiable and correct.
- (e) <u>Repayment</u>. If, for any reason, the City is required to refund to the State of Texas any of the Sales Tax revenues that it has received and are generated from the Project upon which the payments made by the City to Business Developer are calculated under this Agreement, the City shall adjust future payments to Business Developer to account for and remedy any such refund. In the event that the refund occurs following the expiration of the term of this Agreement or after the last required payment to Business Developer under this Agreement, Business Developer shall repay the City the amount of the refund no later than thirty (30) days after the City sends an invoice to Business Developer.
- (f) <u>Funding Source</u>. While the amount of the Performance-based Incentive shall be measured as a percentage of the Sales Tax generated from the Project, the City may use any available and legally permissible funding source, other than ad valorem tax revenue, to make the payments required hereunder. Should any legal impediment arise during the term of this Agreement, including a change in law, that prevents or prohibits the City from complying with or making future payments under this Agreement, the City may, in its sole and absolute discretion, amend and reform this Agreement, to the extent legally permissible, to give effect to the terms of this Agreement. In the event that the City determines not to reform this Agreement, it may terminate the Agreement without further liability to Business Developer.
- (g) <u>Not Subject to Annual Appropriation</u>. In accord with Article III §52-a of the *Texas Constitution*, the program created and the grant made as provided by this Agreement does not constitute or create a debt for the purpose of any provision of the Texas Constitution and this Agreement is therefore <u>not</u> subject to annual appropriation of the City Council.
- **6. Term.** This Agreement is effective on the date of approval by the City Council and terminates on December 31, 2027. The last payment under this Agreement by the City shall be

made after January 31, 2028 for calendar year 2027, unless the Agreement is terminated earlier as provided herein.

7. Termination; Remedies.

- (a) Any party may terminate this Agreement during its term as provided in this paragraph if a party defaults under this Agreement. The party alleging the default will give the other parties notice of the default in writing. If the defaulting party fails to cure the default within sixty (60) days of the date of the notice, the party giving the notice may terminate this Agreement by written notice to the other parties, specifying the date of termination.
- (b) No party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of any act of God, war, earthquake, fire, strike, accident, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the parties during the time, but only for so long as the event of force majeure reasonably prevents performance.
- (c) Subject to any applicable cure periods stated above in paragraph (a), the following conditions, occurrences, or actions will constitute a default by the Business Developer during the term of this Agreement:
- (1) Business Developer's insolvency, the appointment of a receiver for the Business Developer or the filing of a voluntary or involuntary petition in bankruptcy respecting the Business Developer; or
- (2) Foreclosure of any lien against all or a portion of the Business Developer's restaurant located in Willow Park, Texas, which may materially and adversely affect the continuance by Business Developer of its operations in Willow Park, Texas; or
- (3) The Pulido's Kitchen & Cantina ceases to do business in Willow Park, Texas or fails to stay open for the minimum number of hours provided in this Agreement; or
- (4) The Business Developer's failure to comply with any term, provision or covenant of this Agreement.
- (d) In the event of a default by the City or the Business Developer for any reason other than the payment of money owed under this Agreement (pursuant to Paragraph 5(b) or 5(e)), termination shall be the only remedy (in lieu of damages or any other remedy). If the City terminates the Agreement because of Business Developer's default, the City will not owe any money to Business Developer.
- (e) In the event that either party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Agreement as a consequence of any default by the other party of its obligations under this Agreement, the prevailing party in such action or proceeding shall be entitled to have its reasonable

attorney's fees and out-of-pocket expenditures paid by the losing party. All such fees shall be deemed to have accrued upon the commencement of such action.

8. Miscellaneous Provisions.

- (a) <u>Remedies Cumulative</u>. The rights and remedies provided in this Agreement or under other laws are cumulative and the exercise of any particular right or remedy does not preclude the exercise of any other right or remedy.
- (b) <u>Law Governing and Venue</u>. This Agreement is governed by the laws of the State of Texas and a lawsuit may only be prosecuted on this Agreement in a State District Court in Parker County, Texas.
- (c) <u>Notices.</u> Any notice required to be given by one party to another must be given in writing addressed to the party to be notified at the address set forth below, (1) by delivering the notice in person, (2) by depositing the notice in the U. S. Mail, certified or registered, return receipt requested, postage prepaid, (3) by depositing the notice with Federal Express or another nationally recognized courier service for next day delivery, or (4) by sending the notice by telefax with confirming copy sent by regular U.S. Mail. Notice deposited in the U.S. Mail is deemed effective on the date of deposit. Notice given in any other manner is effective when received by the party to be notified. For the purposes of notice, the addresses of the parties to whom notice is to be given, until changed by giving notice to the other as provided herein, is as follows:

If to the City: City of Willow Park, Texas

City Manager

Attention: Bryan Grimes 120 El Chico Trail, Suite A Willow Park, Texas 76087 Telephone: (817) 441-7108

Email: bgrimes@willowpark.org

If to Business Developer:

Pulido's Westland Willow Park, LLC

Attention: Bourke Harvey 104 S. Ranch House Rd. Willow Park, Texas 76087 Telephone: 817-946-3044

Email: Harvey@delipartners.com

(d) <u>Assignment</u>. This Agreement shall not be assigned without the prior written consent of the City, such consent to be within the sole and absolute discretion of the City. Notwithstanding the foregoing, Business Developer may assign its rights and obligations under this Agreement to any entity affiliated with or under common control with the

Business Developer. The City expressly consents to any assignment described in the preceding sentence and agrees that no further consent of the City to such an assignment will be required so long as the Project continues to be operated as a Pulido's Kitchen & Cantina. The Business Developer agrees to provide the City with written notice of any such assignment.

- (e) <u>Severability</u>. If any provision of this Agreement is declared void or illegal by any court or administrative agency having jurisdiction, the remaining provisions continue in effect.
- **9. Undocumented Workers**. This paragraph is required by Chapter 2264, *Texas Government Code* and governs over any conflicting provisions of this Agreement. The Business Developer will not knowingly employ undocumented workers as that term is defined in Section 2264.001, *Texas Government Code*. If the Business Developer is convicted of a violation under 8 U.S.C. Section 1324(a), the conviction is a default under this Agreement and the city manager will send the Business Developer written notice that the Business Developer has violated this paragraph, and that the Agreement terminates 30 days from the date of the notice. This paragraph supersedes the cure provisions provided in paragraph 7.
- **10. Prohibition of Boycotts**. Business Developer hereby verifies in accordance with the requirements of Chapters 2271, 2274 and 2276 of the Government Code, and subject to applicable law, that Business Developer will not boycott Israel, does not and will not boycott Energy Companies, and does not and will not discriminate against firearm entities or firearm trade associations, as such terms are defined in chapters of the Government Code and subject to the provisions of such chapters of the Government Code.
- **11. Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

PULIDO'S WESTLAND WILLOW PARK, LLC

By: Doyle Moss, Its Mayor	By:Bourke Harvey, Member
Date:	Date:
ATTEST:	

CITY OF WILLOW PARK

Deanna McMullen, City Secretary

Approved as to form and legality:	
William P. Chesser, City Attorney	