

RESOLUTION NO. 2022-20(R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WYLIE, TEXAS (“CITY”), APPROVING (I) THE RESOLUTION OF THE BOARD OF DIRECTORS OF THE WYLIE ECONOMIC DEVELOPMENT CORPORATION (“CORPORATION”) REGARDING A LOAN IN THE AMOUNT OF \$8,108,000.00; (II) A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (III) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (IV) THE AUTHORITY OF THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.

WHEREAS, The Wylie Economic Development Corporation (the “*Corporation*”) has been duly created and organized pursuant to the provisions of Chapter 504, Local Government Code, as amended (formerly Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “*Act*”) by the City of Wylie, Texas (the “*City*”); and

WHEREAS, pursuant to the Act, the Corporation is empowered to borrow money for the purpose of financing the cost of any “*project*” defined as such by the Act; and

WHEREAS, the Board of Directors of the Corporation has found and determined that (a) financing the costs of construction of improvements to City infrastructure including without limitation the City’s road system, water and wastewater systems and gas system (the “*Project*”) to promote economic development in the City is authorized under the Act and loan proceeds may be used for such financing pursuant to that certain Loan Agreement, dated as of July 20, 2022, (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”) in the original principal amount of \$8,108,000.00 (the “*Loan*”) between the Corporation and Government Capital Corporation (the “*Lender*”); and

WHEREAS, the Corporation proposes to enter into a Sales Tax Remittance Agreement, dated as of July 20, 2022, (as amended, restated, supplemented and/or otherwise modified, the “*Sales Tax Remittance Agreement*”) with the City; pursuant to, which among other things, the Corporation will pledge its sales tax revenues to the Lender to secure repayment of the Loan;

WHEREAS, the Act requires the City Council of the City approve the resolution of the Corporation providing for the execution and delivery of the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WYLIE, TEXAS:

Section 1. The Resolution approving the Loan Agreement and authorizing the issuance of the Series 2022 Note (as defined in the Loan Agreement) authorized by the Corporation (the “*Corporation Resolution*”) on July 12, 2022, and submitted to the City Council this day, is hereby approved in all respects. The Series 2022 Note is being issued to finance the cost of the Project and to pay the Costs of Issuance (as defined in the Loan Agreement).

Section 2. The approvals herein given are in accordance with the Act, and the Series 2022 Note shall never be construed an indebtedness or pledge of the City, or the State of Texas (the “State”), within the meaning of any constitutional or statutory provision, and the owner of the Note shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to Chapter 504 of the Act) or any other revenues of the Corporation, the City, or the State, except those revenues assigned and pledged by the Loan Agreement and the Sales Tax Remittance Agreement.

Section 3. The City hereby agrees to promptly collect and remit to the Corporation the Economic Development Sales and Use Tax (defined in the Loan Agreement) to provide for the prompt payment of the Series 2022 Note, and to assist and cooperate with the Corporation in the enforcement and collection of sales and use taxes imposed on behalf of the Corporation.

Section 4. The Sales Tax Remittance Agreement attached hereto as Exhibit A is incorporated by reference as a part of this Resolution for all purposes, with respect to the obligations of the City and Corporation during the time the Series 2022 Note is outstanding, is hereby reapproved as to form and substance. Furthermore, the Mayor and the City Secretary and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

Section 5. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by V.T.C.A. Government Code, Chapter 551, as amended.

Section 7. This Resolution shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this 12th day of July, 2022.

CITY OF WYLIE, TEXAS

By: _____
Matthew Porter, Mayor

ATTEST:

By: _____
Stephanie Storm, City Secretary

EXHIBIT A

Sales Tax Remittance Agreement

SALES TAX REMITTANCE AGREEMENT SERIES 2022 NOTE

This **SALES TAX REMITTANCE AGREEMENT** (as amended, restated, supplemented and/or otherwise modified, this “Agreement”) is made to be effective as of July 20, 2022, by and between the **CITY OF WYLIE, TEXAS**, a duly incorporated and existing home rule city operating and existing under the laws of the State of Texas (the “City”) and the **WYLIE ECONOMIC DEVELOPMENT CORPORATION**, a nonprofit development corporation organized and existing under the laws of the State of Texas, including Chapters 501, 502 and 504, Local Government Code, as amended (formally Section 4A of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “Corporation”).

R E C I T A L S

WHEREAS, the Corporation on behalf of the City is to finance improvements to the City infrastructure including without limitation the City’s Road System, water and wastewater systems and gas lines, as permitted under the Act (the “Project”); and

WHEREAS, such financing contemplates the issuance of the Corporation’s promissory note in a principal amount of \$8,108,000.00 (the “Series 2022 Note”), and the proceeds are to be used by the Corporation to finance the costs of the Project and pay the costs of issuance of the Series 2022 Note.

A G R E E M E N T

1. **Financing**: For and in consideration of the City’s covenants and agreements herein contained and subject to the terms contained herein, the Corporation hereby agrees to enter into a Loan Agreement dated of even date herewith (as same may be amended, restated, supplemented and/or otherwise modified, the “Loan Agreement”), with Government Capital Corporation (the “Lender”), and to execute the Series 2022 Note, and the Corporation hereby agrees and covenants that all proceeds of the loan evidenced by the Note shall be used solely to pay the costs of financing the costs of the Project and to pay all costs related thereto.

2. **Receipt and Transfer of Proceeds of Sales Tax**. The City agrees, in cooperation with the Corporation, to take such actions as are required to cause the “Sales Tax” received from the Comptroller of Public Accounts of the State of Texas for and on behalf of the Corporation to be deposited immediately upon receipt by the City to the credit of the Corporation.

3. **Modifications**. This Agreement shall not be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought and approved in writing by the Lender.

4. **Entire Agreement**. This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

5. **Counterparts.** This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

6. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

7. **Applicable Law.** This Agreement shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of the State of Texas.

8. **Captions.** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

9. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first above written.

**WYLIE ECONOMIC DEVELOPMENT
CORPORATION**

Demond Dawkins, President

ATTEST:

Tim Gilchrist, Treasurer

CITY OF WYLIE, TEXAS

Matthew Porter, Mayor

ATTEST:

Stephanie Storm, City Secretary