

RESOLUTION NO. 4371

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELLER, TEXAS, AMENDING THE CITY OF KELLER FAÇADE IMPROVEMENT GRANT PROGRAM POLICY, APPROVED BY RESOLUTION NO. 4037, ON SEPTEMBER 18, 2018, BY AMENDING THE POLICY CRITERIA AND PROCESS FOR THE FAÇADE IMPROVEMENT GRANT PROGRAM.

WHEREAS, the City of Keller, Texas is committed to the redevelopment and revitalization of existing commercial properties in the City of Keller; and

WHEREAS, in order to promote rehabilitation, enhancement, and restoration of building facades in Keller, the City of Keller hereby establishes a façade improvement grant program for businesses and commercial property owners in Keller; and

WHEREAS, such grants will be pursuant to Chapter 380 of the Texas Local Government Code, to make loans and grants of public money to promote local economic development and stimulate commercial activity in the City of Keller, Texas.

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

Section 1: THAT, the above findings are hereby found to be true and correct and are incorporated herein in their entirety.

Section 2: THAT, the City Council of the City of Keller, Texas, hereby amends the City of Keller Façade Improvement Grant Program Policy, approved by Resolution No. 4037, on September 18, 2018, by amending the Policy Criteria and Process for the Façade Improvement Grant Program, according to the terms and conditions set forth in Exhibit "A" attached hereto.

AND IT IS SO RESOLVED.

Passed by a vote of 6 to 0 on this the 1st day of June, 2021.



CITY OF KELLER, TEXAS

BY: 
Armin R. Mizani, Mayor

ATTEST:


Kelly Ballard, City Secretary

Approved as to Form and Legality:

 
L. Stanton Lowry, City Attorney



Façade Improvement Grant Program Policy

I. Overview

The goal and purpose of the City of Keller Façade Improvement Grant Program is to encourage the rehabilitation, enhancement, and restoration of building façades of existing businesses for the purpose of stimulating business and commercial activity, strengthening workforce development, tourism activity, and/or other priorities established by the Keller City Council. This program provides a grant in the form of a reimbursement up to \$10,000 for eligible improvements to facades in the City of Keller.

These funds are for eligible economic development projects in Keller which meet the criteria outlined in this policy. Funding for this program is at the discretion of the Keller City Council.

The applicant must meet the minimum requirements as outlined below, though additional requirements may apply as deemed appropriate by City Council. Please read all the requirements prior to submitting an application. Appendix A provides a list of terms used throughout this document and their definitions, as well as relevant city contacts for the Façade Improvement Grant Program.

II. Project Eligibility Requirements

- Must be an existing building/site located in the city limits of Keller.
- Property must be free of city liens or delinquent property taxes.
- Applicant must not be past due in sales tax remittance.
- Building/site must be for commercial use in non-residential zoning districts. *(Buildings being utilized as a residence are not eligible for this program unless the building is being converted from a residential use to a commercial use. Conversion from residential use to commercial use requires an approved Site Plan from the city prior to consideration for this grant. Please contact the Community Development Department for further information regarding the Site Plan process.)*
- Building/site must not have received grant funding less than 1 year prior to application date. *(Buildings with multiple tenants are eligible for one (1) grant in a twelve (12) month period from completion of previous grant.)*
- A complete application (Appendix B) must be received and verified by city staff before construction can begin on improvements included in grant request. *(Construction on improvements prior to this are ineligible for reimbursement and commencement of construction prior to City Council's consideration of the grant request is at the applicant's own risk.)*

III. Eligible Improvements

For consideration of the grant, improvements are required to be on the exterior and visible to the public (street, parking area, or public park) without accessing the business itself. Improvements must also comply with zoning district design standards of applicable zone and all applicable state and local requirements. Eligible improvements include (but are not limited to):

- Façade facelift: Painting, trim work, cladding
- Front porch additions and enhancements
- New or enhanced attached signage and/or awnings*
- Detached signage*
- Exterior lighting
- New storefronts
- Window replacement and window framing
- Hardscape improvements such as sidewalk pavers, concrete off-street parking, fencing visible to the public, and lamp posts.
- Landscaping improvements including the design, installation and permanent maintenance components (i.e. – irrigation system). All landscaping improvements are subject to an ongoing maintenance agreement (see Appendix C).
- Permanent art including, but not limited to, sculptures and murals. The Keller Public Arts program maintains a list of local artists that can be provided upon request.

*Signage improvements are only eligible if: (1) other eligible improvements are included in the grant requests and (2) the cost of signage improvements is no more than 75% of the total cost of façade improvements.

Improvements to the interior or on any façades not visible to the public (street, parking area, or public park) are ineligible for grant consideration. Other ineligible improvements include roof repairs, new building or building additions other than exterior additions such as porches and entry features, and outdoor furnishing not permanently affixed to the site or building. Regular building maintenance such as power washing, window sealing, and landscape maintenance are ineligible for reimbursement independent of the associated eligible improvements above. Grant awards may not be used on improvements addressing an outstanding code violation, unless improvement of the façade is within the scope of the project.

IV. Application Requirements

- All eligibility requirements in Section II must be met to be considered for the grant program.
- Completed grant application (Appendix B) signed by the applicant and the owner of the property (if different from the applicant).
- A written cost proposal from a bonafide tradesperson, contractor, or supplier registered with the City of Keller.
 - The city maintains a list of registered contractors which available upon request. Changes to the list occur frequently due to new applicants and license expirations.

- Tradespeople, contractors, or suppliers not registered with the city must submit a “Contractor Qualification Form” (Appendix D).
- Exterior photo(s) of the building and areas to be improved.
- Written description of proposed improvement or art (1,000 words max) and an explanation of how the grant will affect the overall project.
- Drawings or renderings of proposed improvements.
- Art proposals must include an art portfolio for the artist in addition to the cost proposal and rendering of the art.

V. Submittal and Review Process

All applicants are encouraged to meet with city staff prior to submitting an application. City staff will review applications for completion, eligibility and considerations outlined in Section VI.

Only complete applications for eligible projects will be advanced for consideration to the Keller Economic Development Board (KEBD) and the Keller City Council. Incomplete applications will not be considered and shall expire after six (6) months. The six (6) month time period will begin on the date of the most recent staff correspondence with the applicant. A new completed application shall be submitted in order to resume activity on a grant application.

The KEDB considers eligible requests and provides recommendations for the grant award and fund allocation to City Council. The KEDB meets on the third Monday of each month and complete applications must be received at least ten (10) business days prior to that meeting to be considered. City Council will consider the request at their first meeting of the month following the KEDB meeting.

VI. Considerations for Grant Awards and Fund Allocation

The criteria used to review applications for grant funds shall include, but shall not be limited to, the following:

- The availability of grant funds allocated for the fiscal year and other applications.
 - Project compliance with the terms and conditions set forth in this policy.
 - The anticipated economic impact of the project on the revitalization of Keller for redevelopment.
 - Anticipated increase in the taxable value of the subject property and the potential stimulus of economic activity for the surrounding properties.
 - Overall improvement to subject site including the degree of visual improvement the proposed project brings to storefront and streetscape.
 - Design and quality of the proposed work and its compatibility within its business district.
 - The overall project cost being paid by the applicant, outside of the grant amount.
 - Additional consideration given to projects utilizing a Keller business.
- (Local contractors can be found on www.keepitinkeller.com. They will also be noted with an asterisk (*) on the registered contractors list obtained from city staff.)*

- Other matters deemed appropriate by the City Council may be considered on a case-by-case basis.

VII. Approved Grant Process

- An Economic Development Program Agreement, also known as a Chapter 380 Agreement, will outline the terms of the grant as approved by City Council and must be signed by the grantee (and property owner if different) to be eligible for payment of grant funds (for sample see Appendix E).
- Any changes or modifications to the approved grant request specified in the Chapter 380 Agreement shall be approved by City Council.
- Appropriate permits must be obtained prior to beginning construction and all contractors must be registered with the City of Keller.
- Construction of improvements must commence within ninety (90) days of grant application approval and must be completed within one (1) year of grant application approval. The applicant may request a one (1) time thirty (30) day extension for construction commencement and a one-time (6) month extension to complete the project from the Director of Economic Development. Projects that exceed these deadlines must reapply for grant consideration.
- Payment will be made after all work is satisfactorily completed according to the terms of the approved Chapter 380 Agreement, with submissions of copies of all receipts paid, a notarized lien release from each contractor and photos of all improvements.
- Payment of the grant shall be in the form of a reimbursement, not to exceed the amount specified in the Chapter 380 Agreement.
- A completed W-9 Form will be required by the grantee prior to any payment.
- Improvements completed under the City of Keller Façade Improvement Grant Program shall become permanent fixtures of the property and shall not be removed or altered for a minimum of 24 months without the express consent of the City of Keller.

Appendices

The appendices contain administrative tools meant to improve and streamline the application process. City staff may update an appendix as administratively necessary, without City Council approval.

Appendix A – Terms/Definitions and City Contacts

Appendix B – Façade Improvement Grant Application

Appendix C – Landscape Maintenance Contract

Appendix D – Sample Contractor Qualification Form

Appendix E – Sample Chapter 380 Agreement

Terms and Definitions

Art Portfolio – A sample of work from an artist which also includes (1) artist resume (2) artist statement, (3) multiple images of previous work.

Chapter 380 Agreement – An economic development agreement allowed by Chapter 380 of the Local Government Code authorizing municipalities to offer incentives designed to promote economic development.

Code Requirements – The current building standards accepted as defined in the City of Keller's Unified Development Code (UDC) and most recently adopted versions of the International Building Code (IBC), National Electric Code (NEC) and International Fire Code.

Economic Impact – The economic effect of the proposed project on the property tax and sales tax revenues generated from the site in question and surrounding area, by stimulating business growth and other commercial activities.

Fiscal Year – The 12-month period used for calculating annual financial statements. The City of Keller's fiscal year runs from October 1st – September 30th.

Keller Economic Development Board (KEDB) – The KEDB is an advisory board of citizens and business leaders appointed by City Council to work with city staff to further promote economic development efforts, including incentive review, planning, recruitment and marketing.

Site Plan – An architectural plan, landscape architecture document, and a detailed engineering drawing of proposed improvements of a given lot. This plan typically shows a buildings footprint, travelways, parking, drainage, facilities, sewer and water lines, etc.

Taxable Value – A property's taxable value is the value used for determining the property owner's tax liability.

Important City Contacts:

Economic Development

Mary Meier Culver
Director of Economic Development

817-743-4020
mmeier@cityofkeller.com

Siale Langi
Economic Development Specialist

817-743-4021
slangi@cityofkeller.com

Community Development

Planning Department

817-743-4130
communitydevelopment@cityofkeller.com

Building Services

Permit Desk

817-743-4110
buildingservices@cityofkeller.com

Fire Safety and Prevention

Debra Crafton
Fire Marshall

817-743-4472
dcrafton@cityofkeller.com

Public Works

Public Works Admin

817-743-4080
publicworks@cityofkeller.com

Code Enforcement

Melinda Hernandez
Code Enforcement Administrator

817-743-4118
mhernandez@cityofkeller.com



Façade Improvement Grant Program Application

I. Applicant Information

- A. Applicant Name _____
- B. Business Name _____
- C. Street Address _____

- D. Mailing Address _____

- E. Work Phone _____ Cell Phone _____
- F. Email _____

II. Property Owner Information (if different from Applicant)

- A. Owner Name _____
- B. Business Name _____
- C. Street Address _____

- D. Mailing Address _____

- E. Work Phone _____ Cell Phone _____
- F. Email _____

III. Property and Project Description

Address/Location of property to be considered for the City of Keller Façade

- A. Improvement Matching Grant Program

- B. Is the building currently occupied by a business?

☐ Yes ☐ No If yes, please list the business name(s) and Certificate of
Occupancy numbers below.

C. Is this a residential building that is being converted for commercial use?

☐ Yes ☐ No *Please note: if a residential property is being converted to commercial use, a site plan is required. If a site plan has been submitted, please list the permit number below.*

D. Have building plans been submitted to the city for the project?

☐ Yes ☐ No *Please note: building plans are required for some improvements, but may not be necessary for all projects. If building plans have been submitted, please list the permit number below.*

E. Has the applicant and/or property owner been a recipient of this Façade Improvement Matching Grant before?

☐ Yes ☐ No If yes, please list the property address(es) and year(s) the grant was awarded below.

F. Are there any current code enforcement actions, tax liens, or judgement liens against the property?

☐ Yes ☐ No

G. Grant Request

1. Total Project Cost (for Façade Improvements Only)	\$ _____
2. Eligible Grant Request (Up to \$10,000)	\$ _____

H. Project Description

(Please Describe what improvements will be made to the existing property and how the award of this grant impacts the project. 1,000 words max. May submit on a separate sheet of paper.)

I. What is the anticipated start and end date for the project? (Month/Year)

Start Date _____ End Date _____

J. Application Checklist

I, the applicant, verify that I have completed the following items in order to be considered for the City of Keller Façade Improvement Grant. I understand that the grant will not be processed if all items below are not met.

- ☐ Complete Façade Improvement Grant application.
- ☐ Written cost proposal with itemized improvements.
- ☐ Exterior photos of the building before any improvements have been made.
- ☐ Drawings or renderings of proposed improvements (proposed color palette requested, if drawings or renderings are not colored).
- ☐ Artist Portfolio and Art Renderings, if applicable.
- ☐ The proposed façade improvements have not been completed prior to receipt and verification of a complete application by city staff.

DISCLAIMER

I acknowledge that I understand the terms of the City of Keller Façade Improvement Grant Program, and it is my intent to meet the specified terms of this application if approved. I understand further that this project is approved for grant reimbursement only in strict accordance with the approved plans that are attached to this application and hereby made part of this agreement. I further understand that change orders on the work in progress require approval by the City of Keller City Council and that failure to comply with this agreement may jeopardize receipt of grant funds.

Applicant Signature _____ Date _____

Property Owner Signature _____ Date _____
(if different from applicant)

Information Below to be Filled Out by City Staff Only

Date Received _____

Staff Initials _____

Application

Complete ☐

Incomplete ☐ Missing Items _____



**Façade Improvement Grant Program
Landscape Maintenance Contract**

The undersigned grant recipient hereby agrees to the following terms and conditions of the Façade Improvement Grant award for use in landscaping materials.

_____ (*Name of Business*) agrees to properly maintain all landscaping to the specifications of the City of Keller, which are summarized below.

- Provide proper hydration as needed to all trees, shrubs, flowers, vines, grasses and any plant material
- Provide proper fertilization to all of the above, regularly, as prescribed by individual plant requirements
- Provide proper general care of all landscaping on a regular schedule, including, if applicable, weekly mowing at recommended heights, edging, trimming, pruning, sucker removal, raking/leaf removal, transplanting, grooming, maintaining of espaliered shrubs and vines, deadheading as needed
- In case of plant failure, provide immediate removal, appropriate disposal and replacement in a timely manner
- Agree to purchase plant materials with warranty by retailer/supplier, if possible
- Agree to inspections from the City on a regular basis to assure quality of landscaping improvement

The City of Keller shall not be liable for any loss or damage sustained on landscaping items. The grant recipient shall hold the City of Keller whole and harmless from any and all claims for liability or damage of whatsoever nature and kind, including cost of court or attorney's fees. This contract automatically expires 24 months after fund disbursement from the City of Keller for the Façade Improvement Grant approved by City Council under Resolution No._____.

Applicant Signature _____ Date _____
Name of Business _____
Address _____ Phone _____
Email _____

Contractor Qualification Form

This is a sample form that may be used for the City of Keller Façade Improvement Grant Program for the City of Keller, Texas. Contractors may use their own qualifications form in lieu of this sample form.

1. Date _____
 2. Fed ID# _____
 3. Business Name _____
 4. Complete Mailing Address (for bidding forms and purchase orders) _____

 5. Mailing Address for Payments (if different from above) _____

 6. Name of Bonding Company: _____

 Name of Agent: _____ Number of Years Bonded: _____

 What are your bonding limits? _____ Per Job _____ Aggregate _____
 7. Provide contact information for all company financial officers/CEO's/etc. or owners:

Name _____	Phone _____
Position _____	Email _____
Name _____	Phone _____
Position _____	Email _____
 8. How long has your company been in business as a contractor? _____

Months/Years
 9. How long has your company been doing business under the current name? _____

Months/Years
 10. Under what other names has your business operated?

 11. Person authorized in your company to sign bids, offers, and/or contracts:

Name _____	Phone _____
Position _____	Email _____
 12. Person to contact for bids and quotes:

Name _____	Phone _____
Position _____	Email _____
 13. Type of Business _____
 14. Has your company ever failed to complete an awarded contact? _____
 If yes, please explain the circumstances and how the situation was resolved:

- Signature _____ Date _____

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This **ECONOMIC DEVELOPMENT PROGRAM AGREEMENT** ("**Agreement**") is entered into by and between the **CITY OF KELLER, TEXAS** (the "**City**"), a home rule municipal corporation organized under the laws of the State of Texas, and Business Owner Name of **Business Name**, owner of property located at **Street Address**, Keller, Texas (the "**Grantee**"). The City and Grantee are collectively referred to as the "Parties".

Commented [A1]: Highlighted portions of the document will reflect applicant information.

RECITALS

The City and Grantee hereby agree that the following statements are true and correct and constitute the basis upon which the City and Grantee have entered into this Agreement:

A. Grantee owns or operates an existing building located in the City of Keller and will be making eligible improvements to facades in City of Keller. The Eligible Improvements will provide a valuable catalyst for development in the City and increased tax revenues to the City. Eligible improvements will be defined in the program proposal hereto attached as Exhibit "A.2" (Grantee Application).

B. In order to maximize the economic benefits that the Eligible Improvements can bring to the City, the City and Grantee desire to enter into this Agreement.

C. In accordance with Resolution No. 4037, adopted by the City Council on September 18, 2018, attached hereto as Exhibit "A.2" and hereby made a part of this Agreement for all purposes, the City has established an economic development incentive policy and program pursuant to which the City will, on a case-by-case basis, offer economic incentive packages authorized by Chapter 380 of the Texas Local Government Code, Article III, Section 52-a of the Texas Constitution, and other applicable laws, that include monetary reimbursements and grants of public money up to ten thousand dollars (\$10,000) for Eligible Improvements on the exterior of the building and made visible to the public to businesses and entities that the City Council determines will promote state or local economic development and stimulate business and commercial activity in the City of Keller (the "**380 Program**").

D. The City Council has determined that by entering into this Agreement, the potential economic benefits that will accrue to the City under the terms and conditions of this Agreement are consistent with the City's economic development objectives and the 380 Program and that construction and continuous operation of the Eligible Improvements will further the goals for positive growth in the City. In addition, the City Council has determined that the 380 Program is an appropriate means to achieve the construction and operation of the Required Improvements, which the City Council has determined are necessary and desirable, and that the potential economic benefits that will accrue to the

City pursuant to the terms and conditions of this Agreement are consistent with the City's economic development objectives as outlined in the 380 Program. This Agreement is authorized by Chapter 380 of the Texas Local Government Code and the 380 Program.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. INCORPORATION OF RECITALS.

The City Council has found at a duly-called and legally-noticed public meeting through the adoption of City Resolution No. ____, attached hereto as Exhibit "A.1" and hereby made a part of this Agreement for all purposes, and the City and Grantee hereby agree, that the recitals set forth above are incorporated herein and true and correct and form the basis upon which the Parties have entered into this Agreement.

2. DEFINITIONS.

In addition to terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

380 Program has the meaning ascribed to it in Recital C.

Affiliate means all entities, incorporated or otherwise, under common control with, controlled by or controlling Grantee. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

Completion Date means the date as of which improvements have been completed as required by the City.

Completion Deadline means within one (1) year of grant application approval.

Construction Costs means construction costs directly expended by Grantee for the Eligible Improvements.

Director means the director of the City's Economic Development Department.

Effective Date has the meaning ascribed to it in Section 3.

Eligible Improvements has the meaning ascribed to it in Recital A and Exhibit "A.3".

Land has the meaning ascribed to it in Recital A.

Program Grants means the economic development grants paid by the City to Grantee in accordance with this Agreement and as part of the 380 Program.

Program Source Funds means an amount of City funds available for inclusion in a Program Grant that is payable in a given Program Year, which shall equal to a maximum of ten thousand dollars (\$10,000) during the Twelve-Month Period ending in the same Program Year in which the Program Grant for that Program Year is payable.

Program Year means a calendar year in which the City is obligated pursuant to this Agreement to reimburse Grantee a Program Grant for Eligible Improvements.

Term has the meaning ascribed to it in Section 3.

Twelve-Month Period means the period by which the construction of the improvements must be completed.

3. **TERM.**

This Agreement shall be effective as of the date of execution by the Parties (the “**Effective Date**”) and, unless terminated earlier in accordance with this Agreement, shall expire on the date as of which the City has paid all Program Grants required (the “**Term**”).

4. **OBLIGATIONS OF GRANTEE.**

Commented [A2]: Any additional requirements included in City Council approval of grant will be included in this section.

4.1. **Facade Improvements.**

4.1. **Completion Deadline Guidelines.**

In accordance with the terms and conditions of this Agreement, by **Date (one year from city council date)**, the Completion Date, Grantee shall have completed the Grant application attached hereto as Exhibit “A.2” and have made the Eligible Improvements starting ninety (90) days after grant application and after all appropriate construction permits have been obtained. The Completion Date for the Eligible Improvements must occur on or before the Completion Deadline. All guidelines for application must be made to be eligible for the Program Grant. Grants will be reviewed by the Keller City Council on a first-come-first-served basis until all available funds have been allocated. Submission of an application does not guarantee approval.

5. **CITY OBLIGATIONS.**

5.1. **Issuance of Grant Money for Completion of Eligible Improvements**

The City will make payment of the grant in the form of reimbursement in an amount not to exceed ten thousand dollars and no cents (\$10,000.00) after work is satisfactorily completed. The work must be completed within one (1) year after grant application approval. All costs must be documented with receipts and invoices and attached hereto as part of the application. The Director will issue Grantee a certificate stating the reimbursement allowed for the Eligible Improvements.

5.2. Program Grants.

5.2.1. Amount.

Subject the terms and conditions of this Agreement, provided that (i) Grantee made Eligible Improvements to facades in Keller as referenced in Exhibit "A.2" by Completion Date; (ii) the Completion Date occurred on or before the Completion Deadline; (iii) the Eligible Improvements must be made to an existing building located in the City of Keller; and (iv) Eligible Improvements must comply with all applicable state and local requirements, Zoning Design Standards, and must be on exterior and visible to the public, then Grantee will be entitled to receive from the City a Program Grant in an amount up to ten thousand dollars and no cents (\$10,000.00). Notwithstanding the above, should the Director, through the review of actual invoices, bills, statements, or other data determine that the actual costs of the Eligible Improvements are less, the amount of the Program Grant shall be reduced to the actual costs, as determined by the Director, not to exceed ten thousand dollars and no cents (\$10,000.00).

5.2.2. Deadline for Payments and Source of Funds.

Construction of Eligible Improvements must be completed within one (1) year of grant application approval. Payment will be made after all work has been satisfactorily completed according to terms of approved grant application and all costs are documented with receipt and/or invoices. It is understood and agreed that all Program Grants paid pursuant to this Agreement shall come from currently available general revenues of the City and not directly from Sales Tax Revenues. Grantee understands and agrees that any revenues of the City other than those dedicated for payment of a given annual Program Grant pursuant to this Agreement may be used by the City for any lawful purpose that the City deems necessary in the carrying out of its business as a home rule municipality and will not serve as the basis for calculating the amount of any future Program Grant or other obligation to Grantee.

5.2.3 Completed Eligible Improvements

Eligible Improvements completed under the City of Keller Façade Improvement Grant Program shall become permanent fixtures of the building and shall not be removed or altered for a period of twenty-four (24) months without the express written consent of the City.

6. DEFAULT, TERMINATION AND FAILURE BY GRANTEE TO MEET VARIOUS DEADLINES AND COMMITMENTS.

6.1. Failure to Complete Eligible Improvements.

If Grantee fails to make the Eligible Improvements by the Completion Date, or if the Completion Date does not occur by the Completion Deadline, the City shall have the right to terminate this Agreement by providing written notice to Grantee without further obligation to Grantee hereunder.

6.2 Failure to Pay City Taxes.

An event of default shall occur under this Agreement if any legally-imposed City taxes owed on the Land by Grantee or an Affiliate or arising on account of Grantee or an Affiliate's operations on the Land become delinquent and Grantee or the Affiliate does not either pay such taxes or follow the legal procedures for protest and/or contest of any such taxes. In this event, the City shall notify Grantee in writing and Grantee shall have sixty (60) calendar days to cure such default. If the default has not been fully cured by such time, the City shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to it under the law or in equity.

6.3. Violations of City Code, State or Federal Law.

An event of default shall occur under this Agreement if any written citation is issued to Grantee or an Affiliate due to the occurrence of a violation of a material provision of the City Code on the Land or on or within any improvements thereon (including, without limitation, any violation of the City's Building or Fire Codes and any other City Code violations related to the environmental condition of the Land; the environmental condition of other land or waters which is attributable to operations on the Land; or to matters concerning the public health, safety or welfare) and such citation is not paid or the recipient of such citation does not properly follow the legal procedures for protest and/or contest of any such citation. An event of default shall occur under this Agreement if the City is notified by a governmental agency or unit with appropriate jurisdiction that Grantee or an Affiliate, or any successor in interest thereto, any third party with access to the Land pursuant to the express or implied permission of Grantee or an Affiliate, or any a successor in interest thereto, or the City (on account of the Improvements or the act

or omission of any party other than the City on or after the effective date of this Agreement) is in violation of any material state or federal law, rule or regulation on account of the Land, improvements on the Land or any operations thereon (including, without limitation, any violations related to the environmental condition of the Land; the environmental condition of other land or waters which is attributable to operations on the Land; or to matters concerning the public health, safety or welfare). Upon the occurrence of such default, the City shall notify Grantee in writing and Grantee shall have (i) thirty (30) calendar days to cure such default or (ii) if Grantee has diligently pursued cure of the default but such default is not reasonably curable within thirty (30) calendar days, then such amount of time that the City reasonably agrees is necessary to cure such default. If the default has not been fully cured by such time, the City shall have the right to terminate this Agreement immediately by providing written notice to Grantee and shall have all other rights and remedies that may be available to it under the law or in equity.

6.4. Knowing Employment of Undocumented Workers.

Grantee acknowledges that effective September 1, 2007, the City is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. Grantee *hereby certifies that Grantee, and any branches, divisions, or departments of Grantee, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that Grantee, or any branch, division, or department of Grantee, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens):*

- *if such conviction occurs during the Term of this Agreement, this Agreement shall terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Grantee) and Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum; or*
- *if such conviction occurs after expiration or termination of this Agreement, subject to any appellate rights that may lawfully be available to and exercised by Grantee, Grantee shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of the Program Grants received by Grantee hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum.*

For the purposes of Section 6.4, “**Simple Interest**” is defined as a rate of interest applied to the aggregate amount of the Program Grants. This Section 6.4 does not apply to convictions of any subsidiary or affiliate entity of Grantee, by any

franchisees of Grantee, or by a person or entity with whom Grantee contracts. Notwithstanding anything to the contrary herein, this Section 6.4 shall survive the expiration or termination of this Agreement.

6.5. General Breach.

Unless stated elsewhere in this Agreement, Grantee shall be in default under this Agreement if Grantee breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the City referencing this Agreement (or, if Grantee has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the City shall have the right to terminate this Agreement immediately by providing written notice to Grantee.

7. NO INDEPENDENT CONTRACTOR OR AGENCY RELATIONSHIP.

It is expressly understood and agreed that Grantee shall not operate as an independent contractor or as an agent, representative or employee of the City. Grantee shall have the exclusive right to control all details and day-to-day operations relative to the Required Improvements, Land and any improvements thereon and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. Grantee acknowledges that the doctrine of *respondeat superior* will not apply as between the City and Grantee, its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Grantee further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the City and Grantee.

8. INDEMNIFICATION.

GRANTEE, AT NO COST TO THE CITY, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO GRANTEE'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) GRANTEE BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT; OR (ii) ANY ACT OR OMISSION OR INTENTIONAL

MISCONDUCT OF GRANTEE, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY, OR ITS EMPLOYEES, OFFICERS, AGENTS, ASSOCIATES, CONTRACTORS OR SUBCONTRACTS), OR SUBCONTRACTORS DUE OR RELATED TO OR ARISING FROM THE REQUIRED IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES ON THE LAND OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT.

9. NOTICES.

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

City:

City of Keller

Attn: City Manager

P.O. Box 770
Keller, Texas 76244

Grantee:

Business Owner/Applicant Name
Business Name

Address:

Street Address
Keller, TX 76248

With Copies to (which shall not constitute notice):

Boyle & Lowry, L.L.P.
Attn: L. Stanton Lowry
4201 Wingren Dr., Suite 108
Irving, Texas 75062

10. ASSIGNMENT AND SUCCESSORS.

Grantee may at any time assign, transfer or otherwise convey any of its rights or obligations under this Agreement to an Affiliate without the approval of the City so long as Grantee, the Affiliate and the City first execute an agreement under which the Affiliate agrees to assume and be bound by all covenants and obligations of Grantee under this Agreement. Grantee may also assign its rights and obligations under this agreement to a financial institution or other lender for purposes of granting a security interest in the Improvements and/or Land, provided that such financial institution or other lender first executes a written agreement with the City governing the rights and obligations of the City, Grantee and the financial institution or other lender with respect to such security interest. Otherwise, Grantee may not assign, transfer or otherwise convey any of its rights or

obligations under this Agreement to any other person or entity without the prior consent of the City Council, which consent shall not be unreasonably withheld, conditioned on (i) the prior approval of the assignee or successor and a finding by the City Council that the proposed assignee or successor is financially capable of meeting the terms and conditions of this Agreement and (ii) prior execution by the proposed assignee or successor of a written agreement with the City under which the proposed assignee or successor agrees to assume and be bound by all covenants and obligations of Grantee under this Agreement. Any attempted assignment without the City Council's prior consent shall constitute a breach and be grounds for termination of this Agreement and following receipt of written notice from the City to Grantee. Any lawful assignee or successor in interest of Grantee of all rights under this Agreement shall be deemed "Grantee" for all purposes under this Agreement.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's Charter, codes, and ordinances, as amended.

12. GOVERNMENTAL POWERS.

It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities that are outside of the terms, obligations, and conditions of this Agreement.

13. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

14. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas – Fort Worth Division. This Agreement shall be construed in accordance with the laws of the State of Texas.

15. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the City and Grantee, and any lawful assign or successor of Grantee, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

16. FORCE MAJEURE.

It is expressly understood and agreed by the Parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, or other circumstances which are reasonably beyond the control or knowledge of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such requirement shall be extended for a period of time equal to the period such party was delayed. Notwithstanding anything to the contrary herein, it is specifically understood and agreed that Grantee failure to obtain adequate financing to complete the Required Improvements by the Completion Deadline shall not be deemed to be an event of force majeure and that this Section 16 shall not operate to extend the Completion Deadline in such an event.

17. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

18. SEVERABILITY CLAUSE. It is hereby declared to be the intention of the Parties that sections, paragraphs, clauses and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph or section of this Agreement shall be declared unconstitutional or illegal by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or illegality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Agreement since the same would have been executed by the Parties without the incorporation in this Agreement of any such unconstitutional phrase, clause, sentence, paragraph or section. It is the intent of the Parties to provide the economic incentives contained in this Agreement by all lawful means.

19. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

20. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Grantee, and any lawful assign and successor of Grantee, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended

unless executed in writing by both parties and approved by the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

21. 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.

EXECUTED as of the last date indicated below:

CITY OF KELLER:

GRANTEE:

By: _____
Mark Hafner
City Manager

By: _____
Business Owner/Applicant Name
Business Name

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____
L. Stanton Lowry
City Attorney

EXHIBITS

“A.1” – City of Keller Resolution No. _____ (Proposed Resolution)

“A.2” – Grantee Application

“A.3” – City of Keller Resolution No. 4037 which includes current policy and application of the City of Keller Façade Grant Program