



## CITY OF PLANO COUNCIL AGENDA ITEM

|   |                |                                  |  |                         |
|---|----------------|----------------------------------|--|-------------------------|
| <b>CITY SECRETARY'S USE ONLY</b>  |                |                                  |  |                         |
| <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory  |                |                                  |  |                         |
| Council Meeting Date:   |                | 05/28/13                         |  |                         |
| Department:   |                | Economic Development             |  |                         |
| Department Head   |                | Sally Bane                       |  |                         |
| Agenda Coordinator (include phone #): <b>Linda Thomason x8301</b>   |                |                                  |  |                         |
| <b>CAPTION</b>  |                |                                  |  |                         |
| A Resolution of the City Council of the City of Plano, Texas approving the terms and conditions of an agreement by and between the City of Plano, Texas and Thomson Reuters Application, Inc., a Delaware corporation, providing for a business personal property tax abatement; and authorizing its execution by the City Manager or his authorized designee; and providing an effective date. |                |                                  |  |                         |
| <b>FINANCIAL SUMMARY</b>  |                |                                  |  |                         |
| <input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP   |                |                                  |  |                         |
| FISCAL YEAR:  | <b>2013-14</b> | <b>Prior Year<br/>(CIP Only)</b> | <b>Current<br/>Year</b>                            | <b>Future<br/>Years</b> |
|   |                | <b>TOTALS</b>                    |  |                         |
| Budget  | 0              | 0                                | 0  | 0                       |
| Encumbered/Expended Amount  | 0              | 0                                | 0  | 0                       |
| This Item   | 0              | 0                                | 0  | 0                       |
| BALANCE   | 0              | 0                                | 0  | 0                       |
| <b>FUND(s):     N/A</b>   |                |                                  |  |                         |
| <b>COMMENTS:</b> This item has no fiscal impact. Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.   |                |                                  |  |                         |
| <b>SUMMARY OF ITEM</b>  |                |                                  |  |                         |
| This relates to Thomson Reuters Application, Inc.'s request for tax abatement on Reinvestment Zone No. 134 and the creation of the zone on Pinecrest Drive.   |                |                                  |  |                         |
| List of Supporting Documents:   |                |                                  | Other Departments, Boards, Commissions or Agencies |                         |
| Resolution  |                |                                  |  |                         |
| Tax Abatement Agreement   |                |                                  |  |                         |

**A Resolution of the City Council of the City of Plano, Texas approving the terms and conditions of an agreement by and between the City of Plano, Texas and Thomson Reuters Application, Inc., a Delaware corporation, providing for a business personal property tax abatement; and authorizing its execution by the City Manager or his authorized designee; and providing an effective date.**

**WHEREAS**, the City Council has been presented a proposed Tax Abatement Agreement by and between the City of Plano, Texas and Thomson Reuters Application, Inc., a Delaware corporation, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

**WHEREAS**, upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his authorized designee shall be authorized to execute it on behalf of the City of Plano.

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

**Section I.** The terms and conditions of the Agreement having been reviewed by the City Council of the City of Plano, Texas and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager or his authorized designee is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

**Section III.** This Resolution shall become effective from and after its passage.

**DULY PASSED AND APPROVED** this the 28th day of May, 2013.

\_\_\_\_\_  
Harry LaRosiliere, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY



determined by the Collin County Appraisal District of not less than Sixteen Million Dollars (\$16,000,000.00) on the Real Property by December 31, 2013, and is or will be owned by Tenant.

3. Tenant shall maintain the taxing situs of the Personalty on the Real Property and may not relocate the taxing situs of the Personalty to other Reinvestment Zones in the City.

### **IMPROVEMENTS**

4. (a) The Tenant agrees to add the Personalty required under Section 2 by December 31, 2013, unless an extension as a result of an Event of Force Majeure is approved by the City in writing. The term "Event of Force Majeure" means any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns, shortages or unavailability of materials or labor, or work stoppages any of which event(s) directly impact the Tenant at the Real Property. The term shall not include a downturn in the economy.

(b) By December 31, 2013, the Tenant shall make or cause to be made new improvements to the Real Property in excess of the assessed taxable value of the Collin County Appraisal District on the Real Property as designated for the 2012 tax year unless an extension as a result of an Event of Force Majeure, as defined in Section 4(a) above, is approved by the City in writing. Tenant shall occupy building space at the Real Property on or before December 31, 2015 unless an extension as a result of an Event of Force Majeure, as defined in Section 4(a) above, is approved by the City in writing.

(c) Upon the occurrence of an Event of Force Majeure, the Tenant shall notify the City in writing not less than sixty (60) days of the commencement of the Event of Force Majeure with supporting documentation, the anticipated duration and the actions that the Tenant will take to alleviate the Event of Force Majeure. The City Manager shall consider such request and may grant an extension of time to complete the obligations; such extension shall not be unreasonably withheld. If the Event of Force Majeure results in a delay of meeting the required improvement value, the Tenant agrees that in the following year the minimum required taxable value of the Improvements and/or Personalty shall be met.

### **DEFAULT**

5. Any of the following events shall be deemed a breach of this Agreement resulting in default:

(a) Tenant allows its ad valorem personal property taxes owed the City to become delinquent and fails to either:

(i) timely and properly follow the legal procedures for protest and/or contest of any such taxes, or

(ii) cure such delinquency within 30 days of receipt of notice of such delinquency; or

(b) Tenant fails to construct the Improvements required in Section 4(b); or

(c) (i) In the first year of the abatement period for the Personalty, the assessed taxable value is less than the minimum amount set forth in Section 2; or

(ii) At any time during the Agreement, the Personalty is removed from the Real Property and the result is the taxable appraised value of the Personalty is below the minimum amount set forth in Section 2; or

(d) Tenant fails to provide the annual certification as required in Section 9; or

(e) Tenant fails to comply with the Assignment provision in Section 10; or

(f) Tenant has been convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of aliens at the Real Property.

6. In the event that the Tenant defaults under any section of this Agreement, the City shall give the Tenant written notice of such default and if the default is not cured or a waiver obtained thereof within thirty (30) days of said written notice, this Agreement shall be automatically terminated except any damages as specified below shall survive the termination of this Agreement. Notice shall be in writing as provided below. The City Manager is authorized on behalf of the City to send notice of default and to terminate the Agreement for any default that is not cured.

7. Upon the occurrence of an event of default under Section 5(a) (b) or (f) above and that remains uncured, all taxes, including previously abated taxes which would have been paid to the City without the benefit of this Agreement, shall become due and owing to the City from the Tenant, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07 and Texas Government Code Chapter 2264.

Upon the occurrence of an event of default under Section 5(c) (d) or (e) above and that remains uncured, at the City's sole option, it may require all or a portion of all previously abated taxes which would have been paid to the City without the benefit of this Agreement to become due and owing to the City from the Tenant, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07. City shall exercise such option within ninety (90) days of notice of default.

## **EFFECT OF TERMINATION/SURVIVAL OF OBLIGATIONS**

8. The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

## **ANNUAL CERTIFICATION**

9. Beginning November 1, 2014, and on or before the 1st day of November of each calendar year thereafter during the Term (as defined below) of this Agreement, the Tenant, or their successors or assigns, must provide annual certification (substantially in the form attached as **EXHIBIT "B"** hereto) to the City certifying compliance with each applicable term of the Agreement.

## **ASSIGNMENT**

10. If Tenant wishes to assign its rights and duties under this Agreement, it must comply with the following provisions. A failure to comply is an event of default and all remedies may apply including but not limited to a suspension of the abatement for the year(s) for which non-compliance occurred.

(a) City Consent Required. Except as permitted by (b) below, this Agreement may not be assigned without the express written consent of the City. The assignment agreement must be furnished in a form acceptable to the City and be provided at least sixty (60) days prior to the effective assignment date for the City Council review and approval.

(b) Exceptions to City Consent. Tenant may assign this Agreement without obtaining the City's consent:

(i) To a wholly owned affiliate of Tenant; or

(ii) Any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety percent (90%) of the assets of the Tenant; or

(c) Prior to the effective date of the assignment or sale under (a) or (b) above, the assigning party agrees to have the assignee or successor execute an agreement with the City to be bound to all the terms and conditions of this Agreement, without exception, and the assignee or successor shall be responsible for any default(s) of the assignee or seller that occurred prior to or after the effective date of the assignment.

## **ABATEMENT PROVISIONS**

11. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City, a portion of ad valorem personal property taxes taxes

belonging to Tenant located on the Real Property otherwise owed to the City shall be abated as follows:

(a) The tax abatement as to Personalty, as provided for herein, shall be for a period of ten (10) tax years, from January 1, 2014 through December 31, 2023.

(b) In accordance with all applicable federal, state, and local laws and regulations, the abatement shall be based on amounts equal to fifty percent (50%) of the taxable value of the Personalty improvements for the tax years set forth above.

(c) The Tenant shall have the right to protest and/or contest any assessment of the Personalty improvements where such assessment is above the minimum amount required to be maintained under Section 2 of this Agreement. The abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest. Notwithstanding the above, it shall be a breach of this Agreement if assessed values fall below those required in Section 2 as a result of a Tenant filed protest and/or contest, or the removal of Personalty from the Real Property.

### **NOTICE**

12. Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered as of the date deposited in the United States mail:

For City by notice to:

City of Plano  
Attention: Mr. Bruce D. Glasscock  
City Manager  
P.O. Box 860358  
Plano, Texas 75086-0358

With copy to:

City of Plano  
Attention: Ms. Diane C. Wetherbee  
City Attorney  
P.O. Box 860358  
Plano, Texas 75086-0358

For Tenant by notice to:

Frank Bonifacio  
Thomson Reuters  
610 Opperman Drive  
Eagan, MN 55121

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

### **MISCELLANEOUS PROVISIONS**

13. During the term of the Agreement, the Tenant further agrees that the City, its agents and employees, shall have reasonable right (with no less than five (5) business days prior written notice to Tenant) to access the Real Property during regular business hours to inspect the Personalty improvements in order to insure that the location of the Personalty improvements are in accordance with this Agreement and all applicable federal, state, and local laws and regulations.

14. It is understood and agreed that the Tenant, in performing its respective obligations hereunder, is acting independently, and the City assumes no responsibilities or liabilities in connection therewith to third parties and Tenant agrees to indemnify and hold harmless City from any and all claims, suits, and causes of actions, including attorneys' fees, of any nature whatsoever arising out of their respective defaults of their obligations hereunder.

15. Based upon the certification provided by Tenant, the City represents that the Real Property is not owned by any member of the City Council of the City of Plano or by a member of the Planning and Zoning Commission.

16. This Agreement was authorized by Resolution of the City Council at its Council meeting on the 28th day of May, 2013, authorizing the City Manager to execute the Agreement on behalf of the City.

17. This Agreement was entered into by Tenant pursuant to its duly authorized representative.

18. This instrument shall constitute a valid and binding agreement between the City and the Tenant when executed in accordance herewith.

19. If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term or provision, to persons or circumstances other than those in respect of which it is invalid or unenforceable) except those terms or provisions, which are made subject to or conditioned upon such invalid or unenforceable term or provision, shall not be affected thereby, and each other term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. This Agreement is performable in Collin County, Texas and venue for any dispute arising out of this Agreement shall be in Collin County, Texas.

This Agreement shall be effective upon the last date on which all parties have executed this agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule  
municipal corporation

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

\_\_\_\_\_  
Bruce D. Glasscock, CITY MANAGER  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

THOMSON REUTERS APPLICATION,  
INC., a Delaware corporation

\_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**BEING** a tract of land out of the Maria C. Vela Survey, Abstract No. 935 in the City of Plano, Collin County, Texas, being all of Lot 1R, Block A of Stream Data Center, Lot 1R, Block A, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2012, Page 419 of the Map Records of Collin County, Texas and being more particularly described as follows:

**COMMENCING** at a 1/2" iron rod found in the northeast right-of-way line of Spring Creek Parkway (160' ROW) for the southeast corner of Spring Creek Golf Center, an addition to the City of Plano according to the plat thereof recorded in Cabinet K, Page 647 of the Map Records of Collin County, Texas and for the southwest corner Lot 2, Block A, Stream Data Center, an addition to the City of Plano, Texas according to the plat recorded in Volume 2006, Page 822, Map Records of Collin County, Texas;

**THENCE** with the east line of said Spring Creek Golf Center and along a fence, North 00°08'01" West, a distance of 91.28 feet to a 5/8" iron rod with plastic cap stamped "KHA" set at the northwest corner of said Lot 2, Block A for corner;

**THENCE** North 29°48'17" East, a distance of 149.15 feet to the **POINT OF BEGINNING**;

**THENCE** North 0°08'01" West, a distance of 370.39 feet to a point for corner;

**THENCE** North 89°51'59" East, a distance of 628.16 feet to a point for corner;

**THENCE** South 0°08'01" East, a distance of 356.27 feet to a point for corner;

**THENCE** South 89°51'59" West, a distance of 315.16 feet to a point for corner;

**THENCE** South 0°08'01" East, a distance of 46.13 feet to a point for corner;

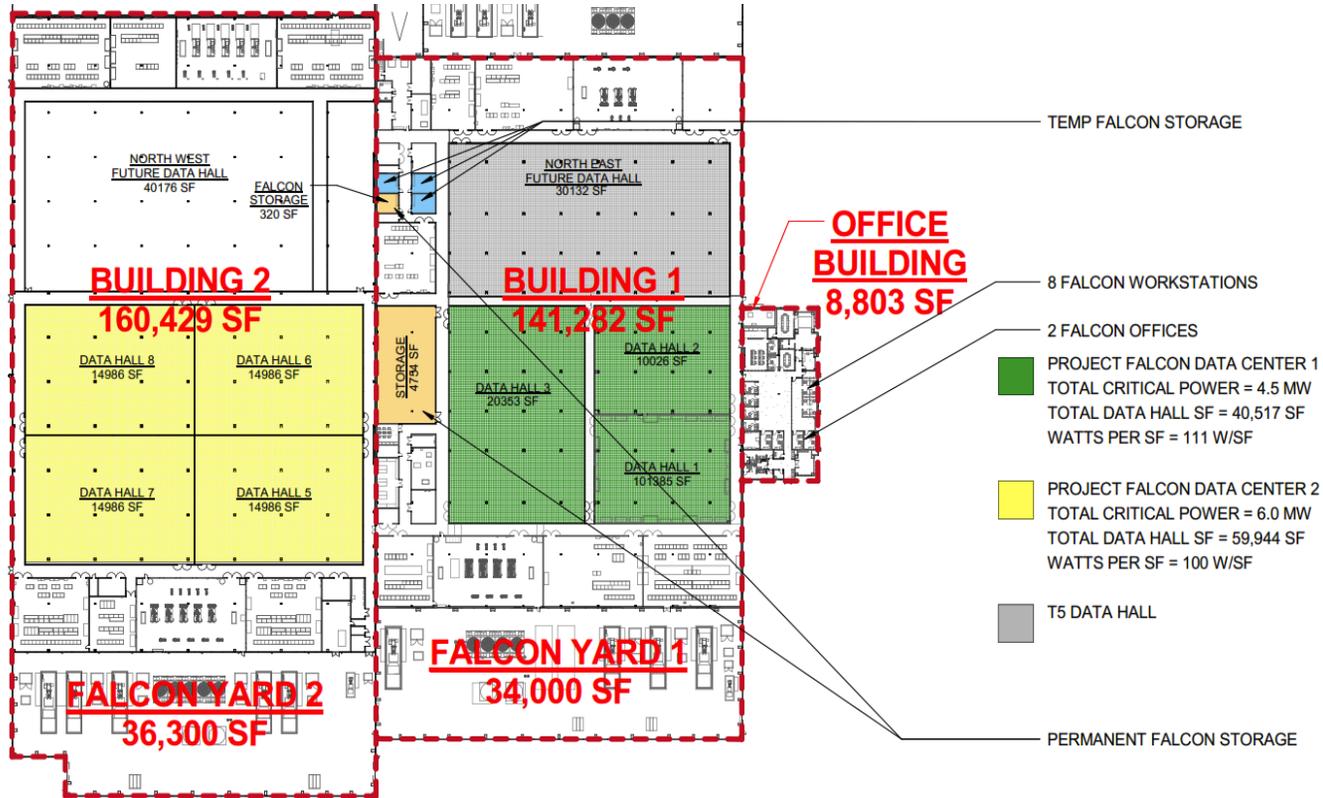
**THENCE** South 89°51'59" West, a distance of 266.50 feet to a point for corner;

**THENCE** North 0°08'01" West, a distance of 32.00 feet to a point for corner;

**THENCE** South 89°51'59" West, a distance of 46.50 feet to the **POINT OF BEGINNING** and containing 5.435 acres or 236,740 square feet of land.

Bearing system based on the monuments found in the east line of Spring Creek Golf Center, an addition to the City of Plano according to the plat thereof recorded in Cabinet K, Page 647 of the Map Record.

**EXHIBIT "A"**  
**SITE PLAN/MAP OF PROJECT**



**EXHIBIT “B”  
CERTIFICATION FORM**

[DATE]

City of Plano  
Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358

RE: Certification Form – Reinvestment Zone No. 134  
Tax Abatement Agreement (the “Agreement”) between Thomson Reuters Application, Inc.  
 (“Tenant”) and the City of Plano.

This letter certifies that Tenant is in compliance with each applicable term as set forth in the Agreement. The term of the tax abatement pursuant to the Agreement is January 1, 2014, through December 31, 2023. This form is due on November 1, 2014 and on November 1 of each year thereafter that the Agreement is in force.

THOMSON REUTERS APPLICATION,  
INC., a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_