

ORDINANCE NO. 2015-374

AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 380 OF THE LOCAL GOVERNMENT CODE TO PROMOTE ECONOMIC DEVELOPMENT AND TO STIMULATE BUSINESS ACTIVITY IN THE CITY OF DENTON BETWEEN THE CITY OF DENTON AND BUC-EE'S, REGARDING THE DEVELOPMENT OF AN APPROXIMATE 38-ACRE PARCEL OF LAND GENERALLY LOCATED ON THE WEST SIDE OF I-35E, NORTH OF WIND RIVER LANE, IN SOUTH DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREOF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Buc-ee's, LTD. ("Grantee") has made a request of the City of Denton to establish an economic development program under Chapter 380 of the Texas Local Government Code ("Chapter 380") to stimulate the development of commercial property within the City of Denton; and

WHEREAS, the City Council by this ordinance is establishing an economic development program under Chapter 380 which will stimulate business activity in the City and promote the public interest (the "Program");

WHEREAS, to effectuate the Program, the City and Grantee have negotiated an Economic Development Grant Agreement (the "Agreement"), a copy of which is attached hereto and made a part hereof by reference; and

WHEREAS, the City Council finds that the Program and Agreement promote economic development and will stimulate commercial activity within the City of Denton for the benefit of the public; NOW, THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this ordinance are incorporated into the body of this ordinance.

SECTION 2. The City Manager, or his designee, is hereby authorized to execute the Agreement on behalf of the City of Denton and to carry out the City's responsibilities and rights under the Agreement, including without limitation the authorization to make the expenditures set forth in the Agreement.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the 1 day of December, 2015.


CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: Jane Richardson, Asst.

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

BY: [Signature]

THE STATE OF TEXAS §

COUNTY OF DENTON §

ECONOMIC DEVELOPMENT AGREEMENT WITH
BUC-EE'S, LTD.

This Economic Development Agreement ("Agreement") is made and entered into as of the effective date provided for below by BUC-EE'S, LTD. ("Grantee"), a Texas limited partnership, located at 327 FM 2004, Lake Jackson, Texas, 77566, and the CITY OF DENTON, TEXAS ("City"), a Texas municipal corporation, located at 215 E. McKinney St., Denton, Texas, for the purposes and considerations stated below. Grantee and the City may be individually referred to as a "Party" and collectively as the "Parties."

WHEREAS, this Agreement is authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (the "Act") to promote local economic development and to stimulate business and commercial activity in the City of Denton; and

WHEREAS, Grantee owns or is under contract to acquire an approximately 40-acre tract of land located Southwest of I35 East at Brinker Road, which is within the city limits of the City of Denton, Denton County, Texas, and is more particularly described in Exhibit A attached hereto and incorporated by reference as if set forth at length herein (the "Property"); and

WHEREAS, Grantee desires to construct a new ±52,000 square foot Buc-ee's travel center, which will bring ±150 new jobs to Denton, along with developing multiple adjacent retail lots for a total estimated capital investment of \$32,000,000 (the "Project"); and

WHEREAS, Grantee agrees to fund \$2 million local contribution in support of the Brinker Road bridge project to be undertaken by the Texas Department of Transportation; and

WHEREAS, on or about September 1, 2015, Grantee submitted an application to the City concerning the contemplated use and development of the Property in order to request economic development incentives pursuant to the Act (the "Grant Application" as shown in Exhibit B), representing that the Project on the Property would not occur unless incentives are provided; and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the "EDP Board") in accordance with the City of Denton's Tax Abatement and Incentive Policy on September 22, 2015, and the EDP Board found the Project meets the qualifications for tax incentive and recommended approval of the incentive unanimously with a vote of 6-0; and

WHEREAS, the City Council of the City of Denton desires to provide an incentive in the form of a grant (the "Grant") to Grantee to develop the Property and hereby finds that the

contemplated use and development of the Property, the proposed improvements provided for herein, and the other terms and conditions of this Agreement, will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; and

NOW, THEREFORE, the City and Grantee for and in consideration of the Property and the promises contained herein do hereby contract, covenant, and agree as follows:

I.
DEFINITIONS

“Eligible Sales Tax Receipts” means the total amount of sales tax received by the City each month, during the term of this Agreement, as a result of the Total Taxable Sales generated from the businesses located within the Property boundaries.

“Monthly Sales Tax Report” means the monthly report received from the Texas State Comptroller that shows the amount of Total Taxable Sales for a month period.

“Program Effective Date” means a date at least sixty (60) days following (i) the issuance of the Certificate of Occupancy for the Buc-ee’s Travel Center portion of the Project and (ii) a written request from Grantee that Grant be initiated.

“Total Taxable Sales” means the total amount of all sales from which sales and use tax are collected from businesses located within the Property boundaries.

“Reimbursement Grant” means a monthly grant payment of 50% of Total Taxable Sales for a period of sixty (60) months to reimburse Grantee for \$2 million local match for TxDOT improvements.

“Balloon Grant” means a one-time cash grant payment at the conclusion of the Reimbursement Grant term of an amount equal to \$2 million minus the total Reimbursement Grant paid to Grantee. The Balloon Grant is only paid in the event that Grantee has not received a full \$2 million Reimbursement Grant at the conclusion of the Reimbursement Grant term.

“Infrastructure Grant” means a monthly grant payment of 50% of Total Taxable Sales generated by (a) the Buc-ee’s Travel Center and (b) developed outparcels that contain sit-down restaurants or retail establishments for a period of 240 consecutive months, to commence at the conclusion of the Reimbursement Grant term.

“25% Infrastructure Grant” means a monthly grant payment of 25% of Total Taxable Sales generated by outparcels that contain any uses not included in Infrastructure Grant for a period of 240 consecutive months, to commence at the conclusion of the Reimbursement Grant term.

II. GRANT CONDITIONS

A. Grantee covenants and agrees with the City that the City's obligations under this Agreement are subject to the fulfillment of the Grantee's obligations under this Agreement, and Grantee hereby agrees to perform and comply in all material respects to the terms, conditions, and provisions of this Agreement and in all other instruments and agreements between Grantee and the City with respect to the financial or other incentives provided herein.

B. Improvements to the Property shall be made in substantial compliance with the description of the Project as set forth in the Grant Application. "Improvements" are defined as the construction, renovation and equipping of the Property as set forth in the Grant Application, including but not limited to costs related to the development and improvement of the real estate, including, without limitation, construction costs and design and engineering costs. The City expressly is not obligated in any way to payment of costs and fees for the Improvements, and is only agreeing to payments as stated herein. The kind and location of the Improvements is more particularly described in the Grant Application. For the construction of Improvements Grantee shall comply with all applicable City of Denton Code of Ordinances, the City's Tax Abatement and Incentive Policy, Texas Department of Transportation Regulations and any other applicable federal, state, and local law.

C. Grantee agrees to fund the \$2 million local contribution in support of the Brinker Road bridge project to be undertaken by the Texas Department of Transportation.

D. Grantee agrees to take certain measures to protect the neighborhood, including: design and construct the Buc-ee's Travel Center in substantially the same location depicted on the preliminary site plan attached hereto as Exhibit C; preserve the trees along the back property line abutting the single family homes to the maximum extent possible; provide and install a lighting system designed by a photometric engineer that minimizes light impact to the neighborhood, which shall be no more than .25 foot-candles of illumination at the single-family property line; retain and amenitize the existing pond area with access, walking trails, and seating, as determined by Grantee; and provide an opportunity for the homeowners whose property lines directly border the development to give input regarding the required landscape buffer and the required masonry and wrought iron walls to be constructed.

E. Grantee shall use good faith efforts to hire qualified residents of the City of Denton to work at the Project. In conjunction with the initial hiring of personnel for the new available jobs created, the Grantee shall make good faith efforts to offer available positions to qualified Denton area residents over non-residents who are similarly qualified as determined by the Grantee consistent with business needs and its commitment to equal opportunity and subject to all applicable local, state and federal employment laws. Moreover, Grantee shall use a good faith effort to hire local Denton contractors and suppliers in constructing the Improvements where

qualified and available.

F. Grantee is duly authorized and existing under U.S. law and is in good standing under such laws, and is registered to do business in the State of Texas.

G. Payments shall be issued to Buc-ee's, Ltd. unless an approved assignment occurs under XVII herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

H. The Property is not in an improvement project financed by tax increment bonds.

I. Neither the Property nor any of the Improvements to the Property are owned or leased by any member of the City Council, nor any member of the City Planning and Zoning Commission.

J. This Agreement is subject to rights of holders of outstanding bonds of the City, if any.

K. In the event of any conflict between the City of Denton Code of Ordinances and federal, state, or other local regulations, and this Agreement, such ordinances and/or regulations shall control.

L. In accordance with Chapter 2264 of the Texas Government Code, Grantee shall not knowingly employ any person for or at the Project who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("Undocumented Worker"). During the term of this Agreement, Grantee shall notify City of any complaint brought against Grantee alleging that Grantee have knowingly employed Undocumented Workers on the Property. In the event that Grantee are convicted of a felony violation under federal law for employing an Undocumented Worker on the Property, grant payments shall be terminated.

III.

TERMS OF GRANT

A. Subject to the terms and conditions of this Agreement, the City hereby agrees to pay to Grantee the Reimbursement Grant, in monthly installments, Grant payments for a period of 60 consecutive months, an amount equal to 50% of Eligible Sales Tax Receipts generated from businesses located within the Property boundaries following the Program Effective Date. Grantee may designate the first day of any month to be the Program Effective Date by providing written notice to the City at least 60 days prior to the requested Program Effective Date.


B. Further, and subject to the terms and conditions of this Agreement, at the conclusion of the Reimbursement Grant term, the City hereby agrees to pay Grantee a one-time cash grant payment, the "Balloon Grant" equal to \$2 million minus the total Reimbursement Grant paid to

Grantee. The Balloon Grant is only paid in the event that Grantee has not received a full \$2 million Reimbursement Grant at the conclusion of the Reimbursement Grant term.

C. Further, and subject to the terms and conditions of this Agreement, the City hereby agrees to pay to Grantee the Infrastructure Grant, in monthly installments, for a period of 240 consecutive months, an amount equal to 50% of Eligible Sales Tax Receipts generated by (a) the Buc-ee's Travel Center and (b) the developed outparcels that contain sit-down restaurants or retail establishments, commencing on the first month following the conclusion of the Reimbursement Grant term.

D. Further, and subject to the terms and conditions of this Agreement, the City hereby agrees to pay to Grantee the 25% Infrastructure Grant, in monthly installments, for a period of 240 consecutive months, an amount equal to 25% of Eligible Sales Tax Receipts generated by outparcels that contain any uses not included in Infrastructure Grant, including fast food restaurants, drive-through uses, and other commercial or service uses, commencing on the first month following the conclusion of the Reimbursement Grant term.

F. This Agreement shall be effective as of the date executed by both Parties. At any time following execution of this Agreement and following the issuance of the Certificate of Occupancy for the Buc-ee's Travel Center portion of the Project, Grantee may designate the first day of any month to be the Program Effective Date by providing written notice to the City at least 60 days prior to the requested Program Effective Date.

G. This Agreement will terminate 276 months after the Program Effective Date. 

IV.

INSTALLMENT PAYMENTS FOR GRANT

For each month during the term of this Agreement following the Program Effective Date, the City agrees, subject to the conditions contained in this Agreement, to make the Grant installment payment to Grantee on or before thirty days following the City's receipt from the State Comptroller of the Monthly Sales Tax Report indicating Total Taxable Sales from the businesses located within the Property boundaries. The Grant installment payments shall be calculated as provided in Section V.A of this Agreement. Grant installment payments may be withheld at any time if there are delinquent property taxes on any property owned by Grantee and located in the City, and such installment payments will not be resumed until such delinquency is cured.

V.

CALCULATION OF INSTALLMENT PAYMENTS

A. Grant monthly installment payments during the term of this Agreement shall be calculated as a percentage, as defined in this Agreement, of the Eligible Sales Tax Receipts, as established by the most recent State Comptroller's Monthly Sales Tax Report. The City's

obligation to make such payments is contingent upon the City's receipt of the Monthly Sales Tax Report; provided, however, if the State Comptroller ceases to issue Monthly Sales Tax Reports, the City and Grantee shall cooperate to arrive at a reasonably equivalent and mutually agreeable alternative method of computing the Program Grant monthly installment payments.

B. Any adjustments resulting from overpayment or underpayment of sales tax by a retail business located within the Property boundaries will be reflected in the monthly Program Grant installment payment in which such overpayment or underpayment was reported by the State Comptroller. If for any reason the City is required to remit to the State Comptroller sales tax previously collected on reported sales within the Property boundaries, the next scheduled Grant installment payment will be adjusted by the amount of overpayment or underpayment. Should the adjustment result in a negative Grant installment payment due, Grantee will remit the balance to the City within 30 days.

VI. OTHER GRANTEE OBLIGATIONS

In consideration of the Grant, Grantee agrees as follows:

A. In the event of retail tenant turnover, Grantee shall diligently seek to obtain quality retail tenants that are new to the Denton retail market. However, existing Denton retail businesses shall not be prohibited from leasing or owning retail space at the Property.

B. The Property will not be conveyed during the term of this Agreement to any entity whose ownership of the Property would cause the Property to become exempt or partially exempt from ad valorem taxes unless an agreement with the City to ensure a program of payments in lieu of ad valorem taxes has first been agreed upon.

VII. AUDITS AND MONITORING

During the term of this Agreement, the City reserves the right to conduct audits of the sales and use tax records of businesses located within the Property if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon request to use reasonable efforts to assist the City in obtaining such records from tenant taxpayers. Failure to provide such assistance shall be grounds for default, and City may withhold any Infrastructure Grant payment or any 25% Infrastructure Grant payment related to said tenant taxpayers until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of the Monthly Tax Reports and proper and current books and accounts in which complete and accurate entries shall be made of the amount of sales taxes received by the City from the State of Texas attributed to retail sales within Property boundaries and such other calculations, allocations and payments required by this Agreement.

VIII. DEFAULT

If a party fails to perform any of its obligations under this Agreement and such failure is not cured within 30 days after written notice, the failure of the non-performing party to cure within such 30 day period (or to commence to cure if the nature of the failure cannot reasonably be cured within 30 days) shall constitute a default under this Agreement and shall entitle the non-defaulting party to all remedies available at law or in equity (including injunctive relief, specific performance, and suspending or withholding Grant payments).

IX. MUTUAL ASSISTANCE

The City and the Grantee shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the terms and provisions of this Agreement.

X. INDEMNITY

It is understood and agreed that Grantee in performing its obligations hereunder is acting independently and the City assumes no responsibilities or liabilities in connection therewith to third parties and Grantee agrees to defend, indemnify and hold harmless the City from and against any and all claims, suits, and causes of action of any nature whatsoever arising out of Grantee's obligations hereunder. Grantee's indemnification obligations include the payment of reasonable attorney's fees and expenses incurred by the City in connection with such claims, suits, and causes of action.

XI. REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation and has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations hereunder;

B. The City knows of no litigation, proceedings, initiative, referendum, investigation or threat of any of the same contesting the powers of the City or its officials with respect to this Agreement that has not been disclosed in writing to Grantee;

C. The City knows of no law, order, rule or regulation applicable to the City or to the City's governing documents that would be contravened by, or conflict with the execution and delivery of this Agreement;

D. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. Subject to the indemnity provided by X. of this Agreement, the City will defend the validity of this Agreement in the event of any litigation arising hereunder that names the City as a party or which challenges the authority of the City to enter into or perform its obligations hereunder. City recognizes that Grantee intends to commence construction and expend substantial monies in reliance upon the accuracy of the representation and warranty of the City as set forth in this section.

XII.

REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is a Texas limited partnership duly organized and validly existing under the laws of the State of Texas and is, or will prior to the effective date of this Agreement, be qualified to do business in the State of Texas; has the legal capacity and the authority to enter into and perform its obligations under this Agreement, upon acquisition of all or a portion of the Property;

B. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to make this Agreement;

C. Grantee knows of no litigation proceeding, initiative, referendum, or investigation or threat of any the same contesting the powers of the City, Grantee or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the City; and

D. Grantee has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct improvements on the portions of the Property that Grantee may acquire. This Agreement constitutes a valid and binding obligation of Grantee, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

XIII.

RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for acquisition, development, and/or construction of the improvements required by this Agreement may be provided, in whole or in part, from time to time, by one or more third parties, including, without limitation, lenders, major tenants, equity partners and purchasers or developers of portions of the Property (individually, an "Interested Party" and collectively, "Interested Parties"). In the event Grantee fails to perform any of its obligations under

this Agreement, all notices to which Grantee is entitled under XVIII of this Agreement shall be provided to the Interested Parties at the same time they are provided to Grantee (provided the Interested Parties have previously been identified to the City and provided their notice addresses to the City). If any Interested Party is permitted under the terms of its agreement with Grantee, to cure the event of default and/or to assume Grantee's position with respect to this Agreement, the City agrees to recognize such rights of the Interested Party and to otherwise permit the Interested Party to cure the event of default and to assume all of the rights and obligations of Grantee under this Agreement. The City shall, at any time upon reasonable request by Grantee, provide to any Interested Party an estoppel certificate or other document evidencing that this Agreement is in full force and effect and that no event of default by Grantee exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default). Upon request by any Interested Party, the City will enter into a separate assumption or similar agreement with such Interested Party, consistent with the provisions of this section.

XIV. COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with all applicable federal, state and city laws, ordinances, rules and regulations, including, without limitation, all provisions of the Development Code of the City of Denton.

XV. LIMITATION

This Agreement shall never be construed as constituting permission or authority for development or construction pursuant to Chapter 245 of the Texas Local Government Code.

XVI. ENTIRE AGREEMENT; CHANGES AND AMENDMENTS

This Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof. Except as specifically provided otherwise in this Agreement, any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both Parties to this Agreement.

XVII. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors and assigns. Grantee may assign all or part of its rights and/or obligations in or to or under this Agreement upon written notice to the City of such assignment. The City may execute an amendment to this Agreement evidencing the assignment and the City's execution of said amendment to the Agreement shall not be unreasonably withheld or delayed. Notwithstanding

anything contained herein to the contrary, Grantee may assign this Agreement without the consent of the City, provided Grantee retains more than 50% of the controlling interest (whether by stock, partnership or otherwise) in that portion of the Property that contains the mall. In addition, without the consent of the City, Grantee may assign this Agreement to any lender ("lender") providing a loan to Grantee and Lender shall be entitled to succeed to Grantee's rights under this Agreement if Lender obtains title to Grantee's portion of the Property by foreclosure or deed-in-lieu of foreclosure. Lender may assign any rights so acquired to a purchaser of all or a portion of the Property from Lender following any such foreclosure or deed-in-lieu of foreclosure; provided, however, that such assignment by Lender shall be subject to the provisions of this Section. If an assignee agrees in writing to be bound by the terms and conditions of this Agreement and executes an amendment to this Agreement stating same, the assignor shall be released as to the obligations assigned but not as to any obligations or liabilities of the assignor to the City that arose prior to the assignment.

XVIII. NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered five business days after being deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing. Any such notice and/or statement shall also be deemed delivered when delivered by a nationally recognized delivery company (e.g., FedEx or UPS) with evidence of delivery signed by anyone at the delivery address.

If to Grantee:

Buc-ee's, Ltd.
Attn: Beaver Aplin
327 FM 2004
Lake Jackson, Texas 77566
(979) 230-2920

If to the City:

City of Denton
Attn: City Manager
215 E. McKinney
Denton, Texas 76201
Phone: 940.349.8307
Fax: 940.349.8596

With a copy to:

City of Denton
Attn: City Attorney
215 E. McKinney
Denton, Texas 76201
Phone: 940.349.8333
Fax: 940.382.7923

XIX.
VENUE

The obligations of the Parties are performable in Denton County, Texas, and if legal action is necessary to enforce this Agreement, exclusive venue shall lie in Denton County, Texas.

XX.
APPLICABLE LAWS

This Agreement is made subject to the provisions of the Charter and ordinances of the City, as amended, and all applicable state and federal laws.

XXI.
GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.

XXII.
BENEFIT OF AGREEMENT

This Agreement is executed solely for the benefit of the Parties and their successors and assigns, and nothing in this Agreement is intended to create any rights in favor of or for the benefit of any third party.

XXIII.
LEGAL CONSTRUCTION/PARTIAL INVALIDITY OF AGREEMENT

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, upon written, mutual agreement of both parties and approval of the City Council, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

XXIV.
FORCE MAJEURE

If, because of flood, fire, explosions, civil disturbances, strikes, war, acts of God, or other causes beyond the control of either Party, either Party is not able to perform any or all of its obligations under this Agreement, then the respective Party's obligations hereunder shall be suspended during such period but for no longer than such period of time when the Party is unable to perform.

EXECUTED and effective as of the 10th day of December, 2015, by the City, signing by and through its City Manager, duly authorized to execute same by action of the City Council, and by Grantee, acting through its duly authorized officials.

CITY OF DENTON, TEXAS




GEORGE CAMPBELL, CITY MANAGER

ATTEST:



JENNIFER WALTERS, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

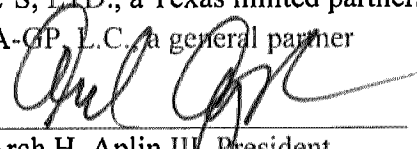


ANITA BURGESS, CITY ATTORNEY

GRANTEE:

BUC-EE'S, LTD., a Texas limited partnership

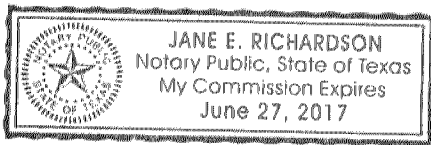
By: AHA-GP, L.C., a general partner

By: 

Arch H. Aplin III, President
ACKNOWLEDGMENTS

STATE OF TEXAS §
COUNTY OF DENTON §

The foregoing Economic Development Agreement was executed before me on the 10th day of December, 2015, by George C. Campbell, City Manager of the City of Denton, Texas, a Texas municipal corporation, on behalf of said Municipal Corporation.



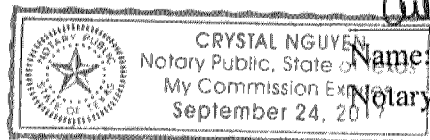
Jane E. Richardson

Name:

Notary Public in and for the State of Texas

STATE OF TEXAS §
COUNTY OF BRAZORIA §

The foregoing Economic Development Agreement was executed before me on the ant day of December, 2015, by Arch H. Aplin III, President of AHA-GP, L.C., a Texas limited liability company, a general partner of Buc-ee's, Ltd., a Texas limited partnership, on behalf of said limited liability company and limited partnership.



Crystal Nguyen
Name: Crystal Nguyen

Notary Public in and for the State of Texas

2706 South Interstate Highway 35E - 37.21 ACRES

Being all that certain tract of land situated in the Joseph White Survey, Abstract Number 1433, and in the Daniel Lombard Survey, Abstract Number 784, in the City of Denton, Denton County, Texas and being the remainder of a tract of land described in the deed from P&H THOMAS FAMILY PARTNERS, LTD to ERI-DENTON38 LAND, L.P., as recorded in Document Number 2006-121570, Real Property Records of said County; the subject tract being more particularly described as follows:

BEGINNING at a capped iron rod stamped "KAZ" set for the Southeast corner of said remainder, and the Southwest corner of a tract of land described in the deed to ERI-DENTON 38 LAND, L.P., as recorded in Document Number 2009-30150, of said Records in the North line of a tract of land described in the deed to Dariush H. Heidary, M.D., as recorded in Volume 2960, Page 287, of said Records;

Thence South 88 degrees 28 minutes 48 seconds West with said common line, along and near a fence a distance of 580.39 feet to a capped iron rod stamped "TNP" found for the Northwest corner of said Heidary tract and the Northeast corner of Lot 28, Block 1 of Wind River Estates, Phase IV, an addition to said City, according to the plat thereof recorded in Cabinet S, Page 204, Plat Records of said County;

Thence South 89 degrees 35 minutes 35 seconds West with the North line of said Block 1 and the South line of said remainder a distance of 1012.87 feet to a wood fence corner post for the Southwest corner of said remainder and the Southeast corner of Lot 15 of said Block 1;

Thence North 01 degrees 05 minutes 13 seconds West with the East line of said Block 1 part of the way and with the West line of said remainder a distance of 1333.06 feet to a ½" iron rod found for the Northeast corner of Lot 27, Block 1, of Southridge Estates, Phase 2, an addition to said City, according to the plat thereof recorded in Cabinet M, Page 97, of said Plat Records, and the Southeast corner of a 50 feet Utility Easement, as recorded in Volume 333, Page 19, Deed Records of said County;

Thence North 00 degrees 37 minutes 33 seconds West with the East line thereof and the West line of said remainder a distance of 380.96 feet to the remains of a wood monument;

Thence North 54 degrees 19 minutes 38 seconds East a distance of 18.63 feet to a TXDOT monument found for the Southwest corner of a tract of land described in the deed to The State of Texas, as recorded in Document Number 2014-91877, of said Real Property Records and being the Northwest corner of said remainder;

Thence with said common line the following eight calls:

South 46 degrees 02 minutes 49 seconds East, 154.89 feet to a TXDOT monument found;

South 60 degrees 37 minutes 11 seconds East, 102.87 feet to a TXDOT monument found;

South 45 degrees 48 minutes 40 seconds East, 101.32 feet to a TXDOT monument found;

South 50 degrees 45 minutes 06 seconds East, 20.31 feet to a TXDOT monument found;

South 50 degrees 47 minutes 05 seconds East, 181.92 feet to a TXDOT monument found;

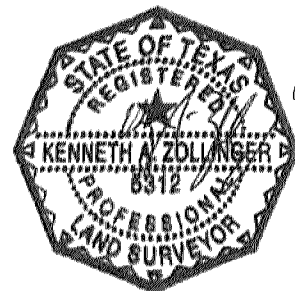
South 56 degrees 41 minutes 1 seconds East, 297.25 feet to a TXDOT monument found;

South 51 degrees 20 minutes 45 seconds East, 307.11 feet to a TXDOT monument found;

South 49 degrees 57 minutes 51 seconds East, 148.81 feet to a TXDOT monument found for the Southeast corner of said State of Texas tract and the Northeast corner of said remainder in the West line of a tract of land described in the deed to Mayhill Partners, LP, as recorded in Document Number 2006-136804, of said Real Property Records;

Thence South 32 degrees 41 minutes 56 seconds East with said common line a distance of 694.21 feet to a ½" iron rod found for the South corner of said Mayhill tract and the West corner of Lot 1, Block A of Action Carpet Addition, an addition to said City, according to the plat thereof, recorded in Cabinet N, Page 355, of said Plat Records;

Thence South 32 degrees 44 minutes 11 seconds East a distance of 369.22 feet to the PLACE OF BEGINNING and enclosing 37.21 acres of land more or less.



INTERSTATE HIGHWAY 35-E SERVICE ROAD - 2.13 ACRES

Being all that certain tract of land situated in the Daniel Lombard Survey, Abstract Number 784, in the City of Denton, Denton County, Texas and being all of a tract of land described in the deed to Mayhill Partners, LP, as recorded in Document Number 2006-136804, of said Real Property Records;

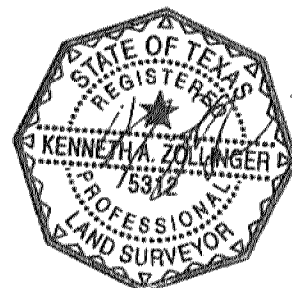
BEGINNING at a ½" iron rod found in the South right-of-way of Interstate I-35E for the North corner of said Mayhill tract and the Northeast corner of a tract of land described in the deed to The State of Texas, as recorded in Document Number 2014-91877, of said Real Property Records;

Thence South 51 degrees 31 minutes 30 seconds East with said I-35E and Northeast line of said Mayhill tract a distance of 738.18 feet to a ½" iron rod found for the East corner thereof and the North corner of Lot 1, Block A, of Action Carpet Addition, an addition to said City, according to the plat thereof recorded in Cabinet N, Page 355, Plat Records of said County;

Thence South 38 degrees 31 minutes 55 seconds West with said common line a distance of 251.45 feet to a ½" iron rod found for the common corner thereof in the East line of the remainder of a tract of land described in the deed from P&H THOMAS FAMILY PARTNERS, LTD to ERI-DENTON38 LAND, L.P., as recorded in Document Number 2006-121570, Real Property Records of said County;

Thence North 32 degrees 41 minutes 56 seconds West with said common line a distance of 694.21 feet to a TXDOT monument found for the Southeast corner of said State tract;

Thence North 32 degrees 46 minutes 59 seconds West a distance of 85.39 feet to the PLACE OF BEGINNING and enclosing 2.13 acres of land more or less.





INCENTIVE APPLICATION CITY OF DENTON, TEXAS

1.

Property Owner (Applicant):	Buc-ee's, Ltd.		
Company or Project Name:	Buc-ee's, Ltd.		
Mailing Address:	327 FM 2004, Lake Jackson, Texas 77566		
Telephone: (979) 230-2920	Fax No.		
Website: www.buc-ees.com			
Contact Name: Beaver Aplin			
Title: President			
Mailing Address:	327 FM 2004, Lake Jackson, Texas 77566		
Telephone: (979) 230-2929	Fax No.		
Email Address: beaver@buc-ees.com			
2. Provide a chronology of plant openings, closing and relocations over the past 15 years.
Applicant has opened 25 stores in the past 15 years.
3. Provide a record of mergers and financial restructuring during the past 15 years.
None
4. Will the occupants of the project be owner or lessee? If lessee, are occupancy commitments already existing?
Owner
5. Is the project a relocation of existing facility or a new facility to expand operations? If relocation, give current location. **New facility**

6. If an existing Denton business, will project result in abandonment of existing facility? If so, the value of the existing facility will be subtracted from the value of the new facility to arrive at total project value. **N/A**

7. Property Description.

- Attach a copy of the legal description detailing property's metes and bounds. **[Attached]**
- Attach map of project including all roadways, land use and zoning within 500 feet of site. **[Attached]**

8. Current Value. Attach copy of latest property tax statement from the Denton County Central Appraisal District Include both real (land and improvements) and personal property). **[Attached]**

9. Increased Value/Estimated Total Cost of Project. \$32,000,000

Structures	\$	Site Development	\$
Personal Property	\$	Other Improvements	\$

10. Indicate percent of tax abatement and number of years requested.

Percent Requested Zero	Years Requested Zero
-------------------------------	-----------------------------

List any other financial incentives this project will request/receive

Estimated Freeport Exemption	\$
Estimated Electric Utility Industrial Development Rider	\$
Estimated Water/Wastewater Infrastructure Assistance	\$
Chapter 380 Incentive	

11. Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided.

Buc-ee's travel center , snacks, drinks, coffee's , full line of baked on site bakery items, homemade Fudge , full deli menu made on site , BBQ sandwiches , Pulled Pork , Breakfast Tacos , Fajita Tacos , breads, homemade potato chips , jerky, smoked meats, gifts for travelers, fuel , general merchandise , clothing , hunting, fishing, cookware, outdoor supplies , and of course restrooms

12. Describe any off-site infrastructure requirements:

-
- **Water:** Applicant proposes to loop the City's public water line by extending the water line located on the adjacent multi-family tract to IH-35E. Applicant further proposes to extend the City's public water line throughout the proposed subdivision to provide water to all lots within the proposed subdivision.
-
- **Wastewater:** Applicant proposes to extend the City's public wastewater line located on the adjacent multi-family tract throughout the proposed subdivision to provide wastewater service to all lots within the proposed subdivision.
-
- **Streets:** Applicant proposes to connect the unnamed City Street contiguous to the northern boundary of the property to the proposed IH-35E / Brinker Road intersection. Applicant proposes to connect the multi-family and movie theatre tract situated south of the property to the proposed IH-35E / Brinker Road intersection. Applicant proposes to partner with the City of Denton to fund the 20% local contribution in support of the Brinker Road bridge project to be undertaken by the Texas Department of Transportation.
-
- **Drainage:** Applicant proposes to participate with the Texas Department of Transportation in the design and construction of a combined (private/public) storm sewer system serving the property and the upstream drainage basin.
-
- Other
-
-
-
-

13. Project Operation Phase. Provide employment information for the number of years incentive is requested.

Employment Information	Existing Operation (if applicable)	At Project Start Date (mo/yr) ____/____	At Term of Incentive
A. Total number of permanent, full-time jobs	Buc-ee's only	150	200
B. Employees transferred from outside Denton		10	5
C. Net permanent full-time jobs (A. minus B.)		140	195
E. Total annual payroll for all permanent, full-time jobs (A.)		3,000,000.00	?

F. Types of jobs created. List the job titles and number of positions in each category that will be employed at the facility. Provide average wage for each category.

Cashier – 12.00 – 14.00 per hr, 3 weeks' vacation, insurance , Food Service – 13.00 – 15.00 per hr 3 weeks' vacation, insurance , Team Leader – 14.00-17.00 per hr. 3 weeks' vacation, insurance
Assistant Managers – 17.00 – 30.00 , 3 weeks' vacation , insurance

G. Indicate the number of shifts the project will operate

3

H. Estimate annual utility usage for project:

Electric	kWh	Water	gpd
Wastewater	gpd	Gas	mcf

14. Describe any other direct benefits to the City of Denton as a result of this project (e.g., sales tax revenue or project elements identified in Tax Abatement Policy, Section III).

15. Is property zoned appropriately? Yes No

Current zoning. **RCC-D**

Zoning required for proposed project. **RCC-D**

Anticipated variances. **Freeway sign**

16. Is property platted? Yes No
Will replatting be necessary Yes No **(platting will be necessary)**

17. Discuss any environmental impacts created by the project.

A. List any permits for which applicant must apply. Applicant will be required to provide City with copies of all applications for environmental permits upon completion of application(s). **N/A**

B. Provide record of compliance to all environmental regulations for the past five years.

Not applicable to the best knowledge of Applicant without investigation.

18. Provide specific detail of any businesses/residents that will be displaced and assistance that will be available from the requesting company. N/A
19. Provide description of any historically significant area included within the project's area as determined by the Historic preservation Officer. If any, give detail of how the historically significant area will be preserved.
N/A
20. Justification for Incentive Request: Substantiate and more fully describe the justification for this request. Include the amount of the incentive requested and show how it will contribute to the financial viability of the project. Submit attachments if necessary.
28 million in Tx Dot improvements with 2 million contributed directly thru partnership ,40 acres from farm to retail / food , estimated total tax revenue to City of \$700,000 annually after incentive
Requested ¾ % of sales tax collected for 25yrs . thru this agreement developer will be able to develop project , fund the 2 Million dollar local match.
21. List additional abatement factors to be considered for this project as outlined on pages 3 and 4 of the Incentive Policy.
- | | | | |
|-----|--|--|--|
| | Occupies building vacant for at least 2 years | | Donation of materials to public schools |
| | Project creates high-skilled, high-paying jobs | | Improvements to Downtown |
| | Significant relationship with universities | | Project forms business park |
| yes | 25% of new jobs filled by Denton residents | | International or national headquarters |
| ? | 25% local contractors to be utilized | | Medical manufacturing or research facility |
| | 25% of jobs are knowledge-based | | Environmentally sustainable practices used |
| | Donation of significant public art | | Renewable Energy generated/stored/utilized |
| yes | Community support and involvement: Attach description of community involvement | | |
22. Financial Information: Attach a copy of the latest audited financial statement or, in the case of a new project, a business plan.
23. Does the project have an eligible environmentally sustainable or renewable energy component (if so, please identify type and provide a brief description)?

-
24. Applicants seeking LEED certification must complete the Green Building Application for Tax Abatement (Exhibit B of the policy). N/A
-

**COMPLETE THIS SECTION IF REQUESTING ADDITIONAL INCENTIVE
BASED ON LEED CERTIFICATION CONSTRUCTION**

1.

Property Owner	
Company or Project Name	
Mailing Address	
Telephone	Fax No.
Website	
Contact Name	
Title	
Mailing Address	
Telephone	Fax No.
Email Address	

2. Project location address:

3. Provide documentation that the project has been registered with the U.S. Green Building Council.

--

4. Provide a description of the project (please include the building size, number of occupants and estimated budget).

6. Attach a preliminary Leadership in Energy and Environmental Design (LEED) Scorecard illustrating how project will achieve the LEED certification.

Level of Certification:
Number of Points:

This Incentive Application is submitted with the acknowledgement that additional information may be required.

Authorized Signature

Date: _____

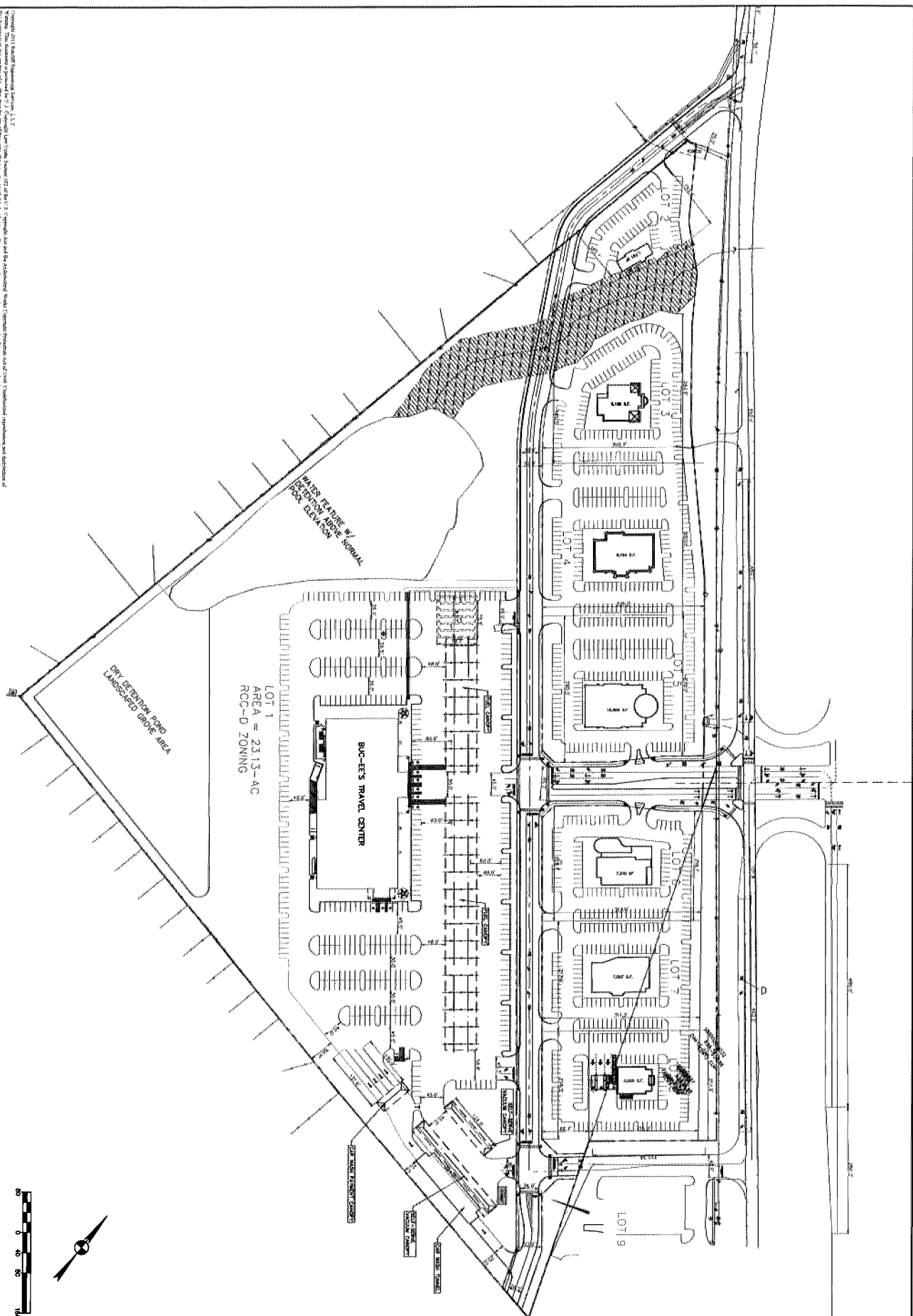


EXHIBIT C
PRELIMINARY SITE PLAN

BUC-EE'S - DENTON
 INTERSTATE HIGHWAY 35E, DENTON CO., DENTON, TEXAS
 BUC-EE'S, LTD.

SHEET INFORMATION

04880 11-05-2019 PRODUCED BY: YOUNG & RUBICAM
 CANNONED BY: DSHI ISSUED BY: DSHI APPROVED BY: HC
 FILE NAME: 130-412 / - IDENTIFY PLAY SCENE 1780
 CHECKED FOR SPINER REVIEW
 CHECKED FOR PICTURE REVIEW & SPINER QUALITY
 CHECKED FOR COMPLETION



RATCLIFF ENGINEERING SERVICES, L.L.C.
P.O. BOX 16281
GALVESTON, TEXAS 77552
OFFICE (512) 805-7007
FAX (512) 805-7004

REVISIONS

[illegible]