

ORDINANCE NO. 20-2530

AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 380 OF THE LOCAL GOVERNMENT CODE TO PROMOTE ECONOMIC DEVELOPMENT AND TO STIMULATE BUSINESS ACTIVITY AND ECONOMIC GROWTH OF THE CITY OF DENTON, BETWEEN THE CITY OF DENTON AND RANGLAND FOODS, LLC, REGARDING THE EXPANSION OF OPERATIONS AND INCREASE IN THE NUMBER OF HIGH WAGE OR KNOWLEDGE-BASED JOBS IN THE CITY OF DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ranchland Foods, LLC ("Ranchland Foods"), is an Arizona limited liability company; and

WHEREAS, Ranchland Foods has made a request, on or about November 4, 2020, of the City of Denton ("City") to establish economic development incentives under Chapter 380 of the Texas Local Government for a relocation and expansion and job-based grant to expand their business and increase the number of high wage or knowledge-based jobs in the city to stimulate economic development and growth ("Grant Application"); and

WHEREAS, the Grant Application was subsequently recommended by the Economic Development Partnership Board as compliant with the City of Denton's Tax Abatement and Incentive Policy (Resolution No. 20-504, as adopted, on March 17, 2020) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and Ranchland Foods have negotiated a Chapter 380 Economic Development Agreement to reflect the terms of the incentive, a copy of which is attached hereto and made a part hereof by reference (the "Agreement"); and

WHEREAS, the City Council of the City of Denton hereby finds that the contemplated use and for the proposed purposes and considerations provided for in the Agreement, and the other terms and conditions of the 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; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON, TEXAS 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 attached hereto 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.

The motion to approve this Ordinance was made by Paul Meltzer and seconded by Alison Maguire, the Ordinance was passed and approved by the following vote [7 - 0]:

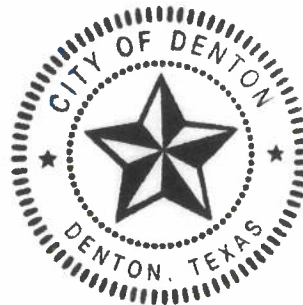
	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vicki Byrd, District 1:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Beck, District 2:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jesse L. Davis, District 3:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alison Maguire, District 4:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deb Armintor, At Large Place 5:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paul Meltzer, At Large Place 6:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PASSED AND APPROVED this the 11th day of May, 2021.

  
GERARD HUDSPETH, MAYOR

ATTEST:  
ROSA RIOS, CITY SECRETARY

BY: 



APPROVED AS TO LEGAL FORM:  
AARON LEAL, CITY ATTORNEY

BY:   
Digitally signed by Mack Reinwand  
Date: 2021.05.05 12:16:03 -05'00'

THE STATE OF TEXAS     §

COUNTY OF DENTON     §

ECONOMIC DEVELOPMENT AGREEMENT WITH  
RANCHLAND FOODS, LLC

This Economic Development Agreement (this “Agreement”) is made and entered into as of the Effective Date as defined herein by RANCHLAND FOODS, LLC (“Grantee”), an Arizona limited liability company, located at 2421 I-35W Frontage Rd. Denton, Texas, 76207 and the CITY OF DENTON (“City”), a Texas home-rule municipal corporation, located at 215 E. McKinney St., Denton, Texas, for the purposes and considerations stated below. Grantee and 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 intends to relocate and expand their business and increase the number of high wage or knowledge-based jobs in the City of Denton; and

WHEREAS, on or about November 4, 2020, Grantee submitted an application to the City to request economic development incentives pursuant to the Act (the “Grant Application” as shown in **Exhibit B** attached hereto and incorporated herein for all purposes); and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the “EDP Board”) in accordance with the City of Denton Tax Abatement and Incentive Policy on December 9, 2020, and the EDP Board found the Grant Application meets the qualifications for financial incentives and recommended approval of the proposed incentives unanimously; and

WHEREAS, the City Council of the City of Denton (“City Council”) desires to provide an incentive in the form of a grant to the Grantee to relocate and expand the business and jobs in the City of Denton and hereby finds that the contemplated use of funds to be provided 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

WHEREAS, the City Council has determined that a grant of funds in accordance with the terms of this Agreement will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of this Agreement contain controls likely to ensure that the public purpose is accomplished; and

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

## I. DEFINITIONS

“Annual Salary” means wages, paid bonuses, commissions, or incentive pay that are recorded in Box 1 of an employee’s W-2 form as reported to the Internal Revenue Service.

“Eligible Job” means a Job which is paid an Annual Salary of at least Sixty-Five Thousand Dollars (\$65,000) per year.

“Eligible Reimbursable Expenses” means expenses made by the Grantee during the term of this Agreement as part of its business expansion, including relocation costs, rent, utilities (including internet and cloud storage), purchase of furniture, fixtures, and equipment (including computers, office equipment, and other materials necessary to operate the business), improvements to physical space (such as site upgrades or space finish out), of which the Grantee can provide documentation of making such expense during the term of this Agreement.

“Expansion Grant” means a grant in an amount not-to-exceed \$100,000 for Eligible Reimbursable Expenses.

“Job” means a permanent, full-time employee (not independent contractor) of the Grantee working in the City of Denton, that maintains full-time paid employment and is issued an Internal Revenue Service W-2 form by Grantee.

“Job Grant” means a grant made once per each new Eligible Job added by the Grantee between January 1, 2021 and December 31, 2026, with payments occurring pursuant to Article IV and V of this Agreement.

“Residency Bonus” means a grant made to Grantee for each Job added during the “Coverage Period” for which the Grantee can successfully demonstrate the employee has established residency inside the corporate limits of the City of Denton during the “Coverage Period”, with payments occurring pursuant to Article IV and V of this Agreement.

## II. GRANT CONDITIONS

Grantee shall satisfy the following conditions to receive the grant payments from the City provided in Article IV and V, and to avoid termination of this Agreement pursuant to Article VIII:

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 to the terms, conditions, and provisions of this Agreement and in all other instruments and agreements, if any, between Grantee and the City with respect to the financial or other incentives provided herein.

B. 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.

C. 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.

D. In accordance with Chapter 2264 of the Texas Government Code, Grantee covenants and certifies that Grantee shall not knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in that manner in the United States ("Undocumented Worker"). During the term of this Agreement, Grantee shall notify the City of any complaint brought against Grantee alleging that Grantee has knowingly employed Undocumented Workers. In accordance with section 2264.052 of the Texas Government Code, if Grantee is convicted of a violation of 8 U.S.C. section 1324a(f) for employing an Undocumented Worker, all grant payments shall be terminated, and Grantee shall repay the amount of all grants with interest of ten percent (10%) per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date Grantee receives notice of such violation (i.e. notice of conviction) from the City.

E. For the term of the Grant, Grantee must maintain its corporate headquarters and principle place of business within the corporate limits of the City of Denton. For the avoidance of doubt, nothing herein precludes Grantee from maintaining satellite offices in any location, provided the headquarters and principle place of business remain within the corporate limits of the City of Denton.

F. Grantee shall not fail to render for taxation any property located within the City of Denton, nor shall it allow the ad valorem taxes owed to the City on any property owned by the Grantee and located within the City of Denton to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

G. Grantee shall not allow any other municipal fees, levies, assessments, bills, or fines to become delinquent.

H. Grantee shall not discriminate in employment and contracting based on race, sex, sexual orientation, gender identity, age, disability, creed, color, genetics, or national origin, and shall not violate any applicable anti-discrimination laws in connection with Grantee's business.

I. Grantee agrees to use diligent efforts to purchase and select goods, services, and contractors from businesses located in the City of Denton whenever such goods, services, and contractors are comparable in availability, quality, and price. In the selection of contractors, suppliers, or other persons proposed for work on this Agreement, Grantee agrees to use its reasonable efforts to select and employ historically underutilized businesses for work on this Agreement; however, Grantee is not required to use such vendors. Grantee is not required to but may submit information related to any good faith efforts as it relates to the local procurement of goods and services or the use of historically underutilized businesses with its annual Certificate of Compliance.

### III. TERMS OF GRANTS

A. The City agrees to provide the Grantee a Job Grant in the amount shown in TABLE V-1 for each new Eligible Job added in the applicable "Coverage Period" as shown in TABLE IV-1. The total amount of the Job Grant shall not exceed Sixty-Six Thousand Dollars (\$66,000) over the term of this Agreement.

B. An additional Residency Bonus will be provided in the amount of \$500 for each new Job added in the applicable "Coverage Period" as shown in TABLE IV-1 if the Grantee provides documentation of such employee's residency in the City of Denton corporate limits during the applicable "Coverage Period". The total amount of the Residency Bonus shall not exceed Fifty-Two Thousand Five Hundred Dollars (\$52,500) over the term of this Agreement.

C. The calculation of the Job Grant payment amount for any "Coverage Period" as shown in TABLE IV-1 and the schedule of payments shall be made in accordance with Articles IV and V.

D. To receive a Job Grant payment for a "Coverage Period," the Grantee must submit the annual Certificate of Compliance (as shown in **Exhibit A** attached hereto and incorporated herein for all purposes) in accordance with the dates provided in TABLE IV-1, along with all documentation required to certify compliance with the terms and conditions of this Agreement, including but not limited to, employee W-2s and an annual employment roster.

E. If at any time during the term of this Agreement Grantee fails to maintain the total number of Eligible Jobs from all previous "Coverage Periods", the Grantee is ineligible for the Job Grant payment until the Eligible Job numbers exceed the level prior to reduction. Only Eligible Jobs added above the level which existed prior to the reduction will be eligible to receive a Job Grant. For purposes of illustration and clarification, if Grantee receives the Job Grant for two (2) Eligible Jobs in "Agreement Year 1," and in "Agreement Year 2" one of the Eligible Jobs for which a Job Grant was received in "Agreement Year 1" is no longer maintained by Grantee, but another two (2) Eligible Jobs are added, the Grantee is only eligible to receive the Job Grant for one (1) Eligible Job added in "Agreement Year 2."

F. The City will provide an Expansion Grant to Grantee in an amount not to exceed One Hundred Thousand Dollars (\$100,000) upon Grantee's successful certification and demonstration of Eligible Reimbursement Expenses to the City.

G. The Expansion Grant, or a portion thereof, may be requested by Grantee during the term of this Agreement after Eligible Reimbursement Expenses have been incurred by Grantee. Grantee may only submit a written request for payment of the Expansion Grant, or a portion thereof, once every six (6) months during the term of this Agreement.

H. The total amount of the Job Grant, Residency Bonus, and Expansion Grant shall not exceed Two Hundred Eighteen Thousand Five Hundred Dollars (\$218,500).

I. The Job Grant, Residency Bonus, and Expansion Grant provided for in this Agreement shall be subject to annual appropriation by the City Council in the annual budget and the City's obligations under this Agreement shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

IV.  
PAYMENTS OF GRANTS

A. The Expansion Grant payment, or a portion thereof, will be paid to Grantee within sixty (60) days of City's receipt of a written request from Grantee, with appropriate documentation evidencing Eligible Reimbursement Expenses. Grantee may only submit a written request for payment of the Expansion Grant, or a portion thereof, once every six (6) months during the term of this Agreement.

B. The Grantee shall be entitled to the Job Grant and Residency Bonus payments in accordance with the following requirements and schedule:

TABLE IV-1			
Agreement Year	Coverage Period	Certification Due	Payment made in City Fiscal Year
1	January 1, 2021 to December 31, 2021	March 31, 2022	FY 2021-2022
2	January 1, 2022 to December 31, 2022	March 31, 2023	FY 2022-2023
3	January 1, 2023 to December 31, 2023	March 31, 2024	FY 2023-2024
4	January 1, 2024 to December 31, 2024	March 31, 2025	FY 2024-2025
5	January 1, 2025 to December 31, 2025	March 31, 2026	FY 2025-2026

V.  
CALCULATION OF INSTALLMENT PAYMENTS

A. The Job Grant shall be calculated for a "Coverage Period" by multiplying the number of new Eligible Jobs added in the "Coverage Period" by the "Grant Amount per Eligible Job" in Table V-1.

TABLE V-1	
Annual Salary Ranges	Grant Amount Per Eligible Job
\$65,000 to \$74,999.99	\$500
\$75,000 to \$89,999.99	\$750
\$90,000 to \$99,999.99	\$1,500
\$100,000 or greater	\$3,000

B. There is no cap on the Job Grant payments for any "Coverage Period" so long as the cumulative Job Grant payments do not exceed Sixty-Six Thousand Dollars (\$66,000) over the term of this Agreement.

C. The Residency Bonus shall be calculated by multiplying the total number of new Jobs established in any "Coverage Period," which can successfully demonstrate residency in the corporate limits of the City of Denton during the applicable "Coverage Period" by Five Hundred Dollars (\$500).

D. There is no cap on the Residency Bonus payment for any "Coverage Period" so long as the cumulative Residency Bonus payments do not exceed Fifty-Two Thousand Five Hundred Dollars (\$52,500) over the term of this Agreement.

E. Payments shall be issued to RANCHLAND FOODS, LLC, unless an approved assignment occurs under Article XVII herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

## VI. OTHER GRANTEE OBLIGATIONS

A. In order to receive payment of a Job Grant and Residency Bonus for the "Coverage Period," Grantee shall submit the Annual Certificate of Compliance form attached hereto as **Exhibit A** certifying compliance with the obligations set forth in this Agreement not later than March 31 of the year following the applicable "Coverage Period" in accordance with TABLE IV-1.

B. Grantee shall submit to the City documentation supporting Grantee's request and demonstrating proof of Eligible Jobs and residency in accordance with the terms of this Agreement adequate to justify Grantee's receipt of the Job Grant and Residency Bonus. A failure to provide the Certificate of Compliance and supporting documentation by the "Certification Due" date set forth in TABLE IV-1, may, in the sole discretion of the City, result in Grantee being ineligible to receive the Job Grant and Residency Bonus for the applicable "Coverage Period."

## VII. AUDITS AND MONITORING

During the term of this Agreement, the City reserves the right to conduct audits of the employment records of the Grantee related to this Agreement if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon request to furnish the City with additional records and information reasonably requested to support that the terms and conditions of this Agreement have been satisfied. Failure to provide such assistance shall be grounds for default, and City may withhold any Job Grant, Residency Bonus, and Expansion Grant payment until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of the Certificates of Compliance and all documentation or employment records provided by the Grantee, payments made to Grantee, and any other calculations, allocations, and payments required by this Agreement.



VIII.  
DEFAULT AND TERMINATION

If a party fails to perform any of its obligations under this Agreement and such failure is not cured within thirty (30) days after written notice, the failure of the non-performing party to cure within such thirty (30) day period (or to commence and continue diligently to cure such default if the nature of the failure cannot reasonably be cured within 30 days in the exercise of all due diligence) shall constitute a default under this Agreement. A default by Grantee shall entitle the City to all remedies available at law or in equity, including but not limited to, termination of this Agreement, injunctive relieve, specific performance, and suspending or withholding Job Grant, Residency Bonus, and Expansion Grant payments. A default by the City shall entitle Grantee as its sole remedy to seek specific performance of the terms of this Agreement.

IX.  
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.**

X.  
REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation that 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; and

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; and

C. The City knows of now 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; and

D. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by governmental immunity and bankruptcy,

insolvency, and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity;

The funds granted by the City are derived from sources lawfully available to the City and are not proceeds of bonds or other obligations of the City payable from ad valorem taxes.

XI.  
REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is an Arizona limited liability company duly registered 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; and

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 enter into this Agreement; and

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 or improve in accordance with this Agreement. 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.

XII.  
RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for Grantee 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 (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 Article.

### XIII. COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with applicable federal, state, and City laws, ordinances, rules, and regulations.

### XIV. NO VESTED RIGHTS

The Grantee shall be subject to all ordinances of the City, whether now existing or in the future arising. This Agreement shall confer no vested rights, as defined and referenced in Chapter 245 of the Texas Local Government Code, as amended, on the Grantee or property where Grantee conducts business. Grantee agrees and acknowledges that this Agreement is not required by the City for the Owner to complete the project described in the Grant Application.

### XV. 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.

### XVI. 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. 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 the 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.

XVII.  
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:

RANCHLAND FOODS, LLC  
Attn: Ken Davis  
2421 I-35W Frontage Rd.  
Denton, Texas 76207

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

XVIII.  
APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Denton County, Texas. This Agreement is performable in Denton County, Texas.

XIX.  
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.

XX.  
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.

XXI.  
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of (a) payment of the maximum authorized amount of the Job Grant, Residency Bonus, and Expansion Grant; (b) March 31, 2026; (c) date of termination for default in accordance with Article VIII. After termination of this Agreement, the City shall not be liable to make any further payments to Grantee except, if applicable, the payment for "Agreement Year 5" as provided in TABLE IV-1 for which Grantee is eligible.

EXECUTED and effective as of the 11th day of May, 2021 ("Effective Date"), 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

SARA HENSLEY, INTERIM CITY MANAGER

ATTEST:

ROSA RIOS, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

DocuSigned by:  
Mack Peinwand

AARON LEAL, CITY ATTORNEY



THIS AGREEMENT HAS BEEN  
BOTH REVIEWED AND APPROVED  
as to financial and operational obligations and business  
terms.

DocuSigned by:  
Jessica Rogers

SIGNATURE

Jessica Rogers

PRINTED NAME

Director of Economic Development

TITLE

Economic Development

DEPARTMENT

GRANTEE

RANCHLAND FOODS, LLC, an Arizona limited liability company

By: C8B83AB130C1486...

Its: CEO

**EXHIBIT A**

**CITY OF DENTON  
JOBS-BASED INCENTIVE  
ANNUAL CERTIFICATE OF COMPLIANCE**

**Ranchland Foods, LLC**

**A. Job Creation Information**

Start of Coverage Period (date)	1. January 1, 20
End of Coverage Period (date)	2. December 31, 20
Total number of Jobs at Start of Coverage Period	3.
Total number of Jobs at End of Coverage Period	4.
Total number of Jobs added (line 4 minus line 3)	5.
Total number of Eligible Jobs <sup>1</sup> added	6.

<sup>1</sup> *Eligible Job is a permanent, full-time employee (not independent contractor) of the Grantee working in the City of Denton, not including any of the permanent, full-time jobs of the Grantee established prior to the start of Coverage Period, that results in paid employment for at least 2,080 hours annually per position and is issued an Internal Revenue Service W-2 form by Grantee, and which is paid an Annual Salary of at least sixty-five thousand dollars (\$65,000) per year.*

**B. Calculation of Job Grant**

Annual Salary Range of Eligible Jobs	Grant Amount Per Job	Number of Eligible Jobs Added in Each Annual Salary Range	Total Annual Job Grant Payment
		Insert number of Eligible Jobs added in each salary range in Lines 1 through 4.	Multiply the Grant Amount per Job by the Number of Eligible Jobs Added
\$65,000 to \$74,999.99	\$500	1.	5.
\$75,000 to \$89,999.99	\$750	2.	6.
\$90,000 to \$99,999.99	\$1,500	3.	7.
\$100,000 or greater	\$3,000	4.	8.
<b>Total Amount of Annual Job Grant (add Lines B5 through B8)</b>			9.

**C. Calculation of Residency Bonus**

Total Number of New Jobs with Residency Established	1.
Residency Bonus per Jobs Added	2. \$500
<b>Total Amount of Residency Bonus (multiply Line C1 by Line C2)</b>	3.

**D. Total Payment Request**

Total Amount of Annual Job Grant (Line B9)	1.
Total Amount of Residency Bonus (Line C3)	2.
<b>Total Amount of Payment Requested (Add D1 and D2)</b>	3.

**E. Required Attachments**

Grantee to submit annual employment roster to include titles of positions and associated employment. Grantee should indicate in which Coverage Period the job was added and if the Job has received a Residency Bonus payment.

I hereby certify that, to the best of my knowledge and belief, the information provided herein is accurate and in compliance with the terms of the Economic Development Agreement with the City of Denton, Texas. I have provided a copy of all documentation needed to substantiate the number of Eligible Jobs added and to establish the residency requirement for those positions for which I am requesting a Residency Bonus payment.

\_\_\_\_\_  
Printed Name and Title of Certifying Officer

\_\_\_\_\_  
Signature of Certifying Officer

\_\_\_\_\_  
Date

***Note: This form is due by March 31 of each year beginning on March 31, 2022, and as long as this Agreement is in effect.***

***Attach employee W-2s and employee roster as required by Economic Development Agreement.***

This Certificate of Compliance should be mailed to:  
City of Denton  
Attn: Economic Development  
215 E. McKinney St.  
Denton, TX 76201



## EXHIBIT B

**Economic Incentive Application**

City of Denton, Texas



version 07012019

**INSTRUCTIONS**

The City of Denton's Economic Development Department will use your responses to this application to prepare an economic impact analysis of your location or expansion project.

Please enter the required information in the shaded cells or check boxes. If you have additional notes or information to include, insert rows or use Column K.

Please attach any relevant maps, plats, metes and bounds, or renderings.

Only complete applications will be considered.

If you need assistance, call (940) 349-7776. Please email the completed questionnaire to Erica.Sullivan@cityofdenton.com

**PLEASE COMPLETE PAGES (TABS) 1 - 7****GENERAL INFORMATION**

Today's date: 11/4/2020

**Company contact information**

Name: RanchLand Foods LLC

Address: PO BOX 136

City, State, ZIP: Vernon, AZ 85940

Website: [www.RanchLandFoods.com](http://www.RanchLandFoods.com)

**Person submitting the questionnaire:**

Name: Kenny J. Davis Phone: (480) 688-9989

Title: President/CEO Fax:

Email: Ken@RanchLandFoods.com

**Person responsible for grant administration:**

Name:  Phone:

Title:  Fax:

Email:

**Brief description of company's history including current operations:**

The company was originally founded as a family-owned and operated farm and cattle ranch in northeastern Arizona. The Davis family committed to raising their cattle cruelty-free and with sustainable ranching practices. The company quickly became known for its all-natural certified Grass-Fed and Grass-Finished Angus beef products in Arizona and Southwest. They began shipping their high-quality Beef products nationwide to select customers, professional athletes, and clients with health complications that demanded healthy all-natural meats with no Added Hormones or Antibiotics. As customer demand grew for other proteins the company scaled to begin providing the same high-quality all-natural poultry and pork products. While the company does ship the majority of its products nationwide it has also developed retail locations in Arizona for local trade. Today it operates its distribution hub out the Phoenix-Mesa AZ metro area shipping 1000's packages weekly. As the company has grown it has developed other products from the base of its meat business. Currently, the company also owns a 3PL E-commerce Fulfillment center for other companies shipping fresh and frozen foods direct to consumers. This division of the company has grown the last year exponentially and has been a large reason for the companies relocation to North Central Texas.

**Company ownership:**

Business form:

Parent company (if applicable):

**Company's primary 6-digit North American Industry**

Classification System (NAICS) Code: 424420, 454390

Is the project a relocation of an existing facility to Denton from another location?

If yes, give current location: 36236 US HWY 60 VERNON, AZ 85940

**PLEASE COMPLETE NEXT TAB: Description**

## Economic Incentive Application

### PROJECT DESCRIPTION

Please provide a brief description of the project in Denton (activities to be performed, products to be produced, services to be provided). 250 word limit.

The Corporate relocation of RanchLand Foods LLC to the City of Denton, TX will provide our company the opportunity to expand our regional services in wholesale food distribution to the local restaurant, hospitality, and grocery industries. The City of Denton provides us with a centralized location within the DFW metroplex allowing us to deliver and service clients as far north as Oklahoma and south to Waco. This facility will be responsible for storing, delivering, and shipping food and meat products nationwide. In addition, the Denton distribution facility will become a centralized hub to service other vendors across the country as a 3PL for Fresh and Frozen food delivery services. This location will serve as the primary distribution hub for RanchLand Foods American Butcher Shop branded home delivery food trucks. Delivery trucks will load and deliver 6 days a week into the DFW metro market.

Please provide a justification for the use of public funds for this incentive request (barriers, financial gap, need).

Our transition and relocation of our Corporate Headquarters come with a substantial cost. The development cost of building out a new facility the hiring of local employees and establishing relationships with local service providers. The City of Denton provides us with an advantage geographically within the local market as a regional hub but will demand a higher cost in the preparation of a state of the art modern distribution facility. Our financial investment in the local market of engaging new contractors, local vendors, equipment purchasing, leasing, and service providers we anticipate to be in the millions.

List any additional factors to be considered for this project. Please select all that apply.

YES	Occupies building vacant for at least
YES	Project creates knowledge based, high-skilled, or high-paying jobs
	Significant relationship with
	Improvements to Downtown

YES	International or national headquarters
YES	25% of local contractors utilized or new jobs filled by Denton residents
FOO	Targeted industry sector
YES	Community support and involvement

### SUSTAINABLE PRACTICES

List any company "green" or sustainable initiatives:

Will the company be seeking LEED Certification?

If yes, please provide level of certification sought:

PLEASE COMPLETE NEXT TAB: Employment

## Economic Incentive Application

### EMPLOYMENT AND WAGE WORKSHEET

Please insert the EXISTING full-time jobs located in Denton with your company.

Existing Job Type/Category	Number of Full-Time Positions	Average Annual Wage Per Position	Average Hourly Wage Per Position
N/A			\$0.00
N/A			\$0.00
N/A			\$0.00
N/A			\$0.00
N/A			\$0.00
N/A			\$0.00
N/A			\$0.00

Number Existing Jobs	
Number of existing FULL-TIME jobs:	0.00
Number of existing PART-TIME jobs:	0.00
TOTAL jobs:	0.00
Annual PAYROLL for existing jobs:	\$0.00

Please insert the type (engineer, manager, team lead, technical, laborer) and number of NEW full-time jobs that will be created in Denton.

New Jobs Created Job Type/Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total Nbr.	Annual Salary	Hourly Wage
Executive/Senior Management	3										3	\$190,000	\$91.35
Director/Management	8	4	2								14	\$91,250	\$43.87
Sales Associates	20	5	5	5	5	5	5	5			55	\$95,000	\$45.67
Marketing Team	5	3									8	\$85,000	\$40.87
Office Admin/Staff	10										10	\$45,000	\$21.63
Warehouse Packers/Staff	20	10	5	5	5	5					50	\$32,000	\$15.38
Totals	66	22	12	10	10	10	5	5	0	0	140	\$538,250	\$258.77

Estimated number of full-time jobs at capacity (part-time can be combined):

50-60 immediately yr 1

Estimated annual payroll for full-time jobs at capacity:

1900000.00 immediately yr 1

PLEASE COMPLETE NEXT TAB: Sales Tax



## Economic Incentive Application

### SALES TAX

**This information is used to estimate the fiscal impact.**

Please provide the current annual taxable sales (if applicable).

\$11,000,000

Please provide the current annual taxable purchases.

**This data is used to determine the economic impact of the construction period.**

Please provide the number of construction jobs anticipated.

**The following are used for the economic impact of out-of-town visitors.**

Number of out-of-town visitors estimated in the first year.

Average number of Hotel room nights in Denton.

**PLEASE COMPLETE NEXT TAB: Utility**

## Economic Incentive Application

### UTILITY USAGE AND INFRASTRUCTURE

#### ELECTRIC

Estimated ANNUAL usage in kWh

Estimated MONTHLY KW demand

Estimated Peak KW

Capacity factor

What types of power equipment will your facility use?

See Attached

Please provide the percent of the project's  
projected utility usage for manufacturing or  
processing operations (if applicable).

#### NATURAL GAS

Estimated ANNUAL usage in mcf

Estimated MONTHLY mcf demand

Estimated Peak mcf

#### WATER

Estimated ANNUAL usage in gpd

Estimated MONTHLY gpd demand

Estimated Peak gpd

#### WASTEWATER

Estimated ANNUAL usage in gpd

Estimated MONTH gpd demand

Estimated Peak gpd

#### TRANSPORTATION

Estimated number of trucks per day

15

**PLEASE COMPLETE NEXT TAB: New Construction**

## Economic Incentive Application

### NEW CONSTRUCTION PROJECT INFORMATION

Project type:

Project use:

Project size:      Acreage:       Sq. Feet:

Preferred start date:

Desired completion date:

Current property value from Denton Central Appraisal District\* (DCAD):

*\*Please attach a copy of the latest property tax statement(s) from DCAD.*

### INVESTMENT

What funds will be invested or leveraged for the project?

Category	Total
Improvements/ Structures	\$3,200,000
Personal Property	\$2,500,000
Engineering and Design	\$0
Site Development	\$0
Other Improvements	\$0
<b>Total Project Costs</b>	<b>\$5,700,000</b>

### TAX BASE

Provide the estimated valuation of the project.

Category	Estimated New Valuation
Improvements/ Structures	\$0
Personal Property	\$0
Inventory	\$0
Freeport Exemption	\$0
<b>Total</b>	<b>\$0</b>

Describe any off-site infrastructure requirements.

Water	<input type="text"/>
Wastewater	<input type="text"/>
Streets	<input type="text"/>
Drainage	<input type="text"/>
Other	<input type="text"/>

**PLEASE COMPLETE NEXT TAB: Relocation - Expansion**

## Economic Incentive Application

### RELOCATION OR EXPANSION PROJECT INFORMATION

Project type: Industrial

Project use:

Project size:      Acreage: 4.26      Sq. Feet: 63,618.00

Preferred start date:

Desired completion date:

Current property value from Denton Central Appraisal District\* (DCAD): \$3,853,509.00

*\*Please attach a copy of the latest property tax statement(s) from DCAD.*

### INVESTMENT

What funds will be invested or leveraged for the project?

Category	Total
Improvements/ Structures	\$0
Personal Property	\$0
Engineering and Design	\$0
Site Development	\$0
Other Improvements	\$0
<b>Total Project Costs</b>	<b>\$0</b>

### TAX BASE

Provide the estimated valuation of the project.

Category	Current Valuation	Estimated Increase in Valuation	Estimated New Valuation
Improvements/ Structures	\$3,111,945	\$3,200,000	\$6,311,945
Personal Property	\$0	\$2,500,000	\$2,500,000
Inventory	\$0	\$0	\$0
Freeport Exemption	\$0	\$0	\$0
<b>Total</b>	<b>\$3,111,945</b>	<b>\$5,700,000</b>	<b>\$8,811,945</b>

Describe any off-site infrastructure requirements.

Water	
Wastewater	
Streets	
Drainage	
Other	

Last page - application complete