KENNEDALE
Kennedale Economic
Development Corporation
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ECONOMIC DEVELOPMENT CORPORATION AGENDA

BOARD OF DIRECTORS REGULAR MEETING | September 25, 2018
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
REGULAR SESSION - 7:30 PM

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES APPROVAL

A. Consider approval of the minutes from the August 28, 2018 Regular Meeting

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for August 2018

B. Discuss and consider economic development strategies and objectives including identification of properties owned by the Kennedale Economic Development Corporation

C. Discuss and provide staff direction regarding the lease of Kennedale Chamber office building

D. Consider approval of a 12-month extension and rent increase for Red's Roadhouse at 1170 E. Kennedale Parkway

E. Discuss and give staff direction regarding the hotel development in the Oak Crest area

V. STAFF ANNOUNCEMENTS/REPORTS

In addition to any specific matters listed below, the Economic Development Corporation Board of Directors may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

A. TownCenter
B. Oak Crest
C. Chamber of Commerce Report

VI. EXECUTIVE SESSION

A. Discuss Red's Roadhouse lease

B. Discuss the Chapter 380 and Economic Development Corporation Agreement between the City of Kennedale, the Kennedale Economic Development Corporation, and Karmali Holdings, Inc.

C. Discuss the Kennedale Chamber office building lease

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

VIII. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the September 25, 2018, Kennedale Economic Development Corporation agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a

place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

Kathryn Roberson, Deputy City Secretary

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:
Consider approval of the minutes from the August 28, 2018 Regular Meeting

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	EDC 8-28-18 Minutes	EDC 8-28-18 Minutes.pdf

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ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS - REGULAR MEETING MINUTES
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
August 28, 2018 at 7:30 p.m.

I. CALL TO ORDER

President Robert Mundy called the meeting to order at 7:32 p.m.

II. ROLL CALL

Present: President Robert Mundy, Vice President Mark Yeary, Ron Whitley, Pat Turner, Sandra Lee, Stan Seat
Absent: Ralph Grimes

III. MINUTES APPROVAL

A. Consider approval of the minutes from the June 26, 2018 regular meeting

Motion To approve the June 26, 2018 Economic Development Corporation regular meeting minutes. **Action** Approve, **Moved By** Pat Turner, **Seconded By** Ron Whitley. **Motion passed Unanimously**

IV. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for July 2018

Finance Director Brady Olsen presented a brief overview of the July financial report. He noted that sales tax revenues continue to be higher than what the Economic Development Corporation had budgeted. Mr. Olsen recommended using the available fund balance to repay debt and to complete TownCenter Building Number 1 repairs.

Motion To approve the KEDC Financial Report for July 2018. **Action** Approve, **Moved By** Vice President Yeary, **Seconded By** Pat Turner. **Motion passed Unanimously**

B. Review, discuss and provide staff direction regarding the Economic Development Corporation proposed budget

Finance Director Brady Olsen presented the main highlights of the proposed Economic Development Corporation budget. Mr. Olsen noted that in the next fiscal year rental income will be increased due to the tenant lease terms providing for free rent will have been satisfied. There will be a savings due to Orasi Services no longer being employed, although the administrative charge has increased due to city staff taking over the role. There will be an increase in auditing fees due to a change in the contracted auditing firm. Mr. Olsen answered questions from the Board relative to the current contract with the Kennedale Chamber of Commerce.

C. Consider approval of a 12-month lease extension and rent increase for Red's Roadhouse

Executive Director George Campbell discussed a possible lease extension for Red's Roadhouse. This was followed by some discussion and the Board requested additional information prior to considering approval.

At 7:55 p.m., the Board convened into an Executive Session.

VI. STAFF ANNOUNCEMENTS/REPORTS

A. TownCenter
B. Oak Crest
C. Chamber of Commerce

Executive Director, George Campbell, presented updates on TownCenter. He also announced that sixteen neighborhood and city wide comprehensive planning meetings have been scheduled.

VII. EXECUTIVE SESSION

A. The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property

1. 1170 E. Kennedale Parkway

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

The Board reconvened into Open Session at 8:19 p.m.

No action was taken.

The Chairman noted that the next regularly scheduled meeting of the Economic Development Corporation will be September 25, 2018 at 7:30 p.m. and a possible scheduling of a special meeting before the regular meeting.

VIII. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Stan Seat, **Seconded By** Ron Whitley. **Motion passed Unanimously**

The meeting was adjourned at 8:26 p.m.

APPROVED:

President Robert Mundy

ATTEST:

Deputy City Secretary Kathryn Roberson

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Review and accept the KEDC Financial Report for August 2018

II. Summary:

III. Recommendation:

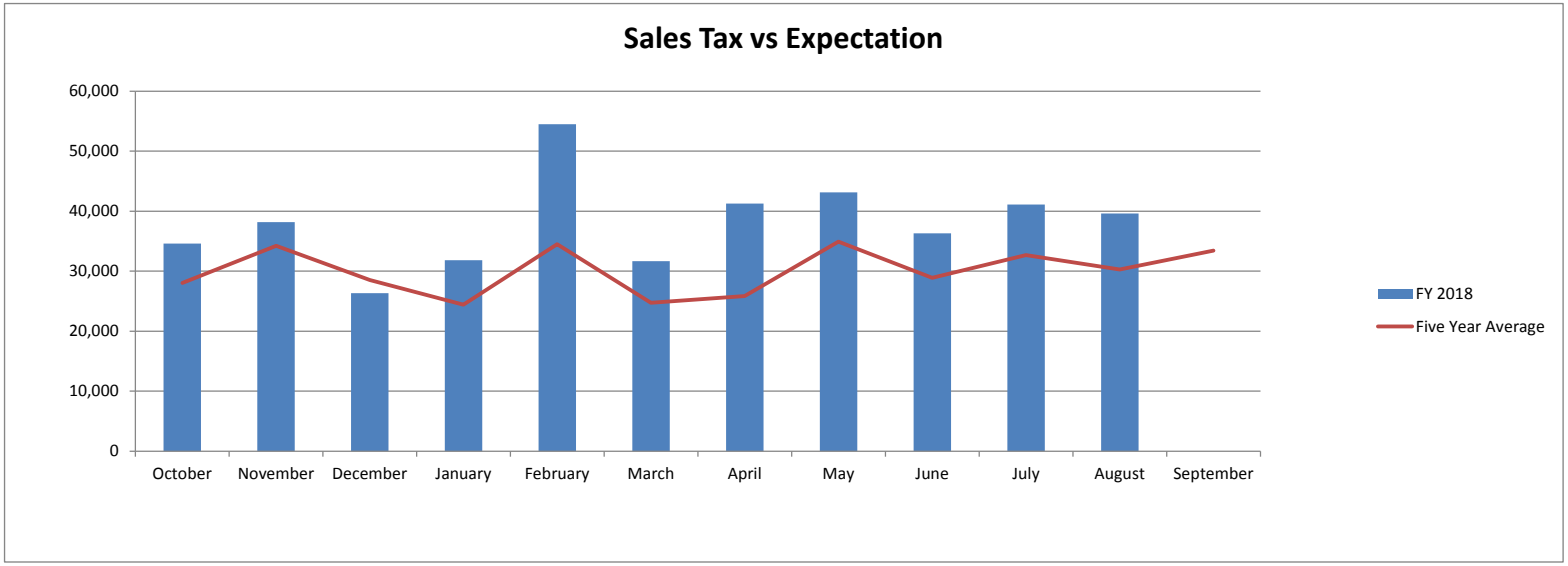
IV. Alternative Actions:

V. Attachments:

1.	Sales Tax Update-EDC August	Sales Tax Update-EDC August.pdf
2.	2018_08 Monthly Financials - EDC	2018_08 Monthly Financials - EDC.pdf

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2018	$ 34,607	$ 38,169	$ 28,985	$ 31,808	$ 54,501	$ 31,672	$ 41,253	$ 43,121	$ 36,295	$ 41,089	$ 39,590	$ -	**$ 421,090**
FY2017	$ 29,583	$ 38,719	$ 27,285	$ 29,652	$ 35,265	$ 26,215	$ 29,043	$ 33,374	$ 26,747	$ 33,648	$ 16,530	$ 28,850	**$ 354,908**
FY2016	$ 31,046	$ 39,712	$ 32,662	$ 25,293	$ 38,669	$ 29,196	$ 26,505	$ 38,181	$ 27,906	$ 28,195	$ 29,231	$ 30,459	**$ 377,055**
FY2015	$ 23,985	$ 31,479	$ 27,515	$ 24,594	$ 35,857	$ 24,104	$ 27,064	$ 39,783	$ 42,821	$ 55,252	$ 48,766	$ 59,232	**$ 440,453**
FY2014	$ 21,990	$ 29,867	$ 31,661	$ 22,458	$ 32,594	$ 23,228	$ 26,412	$ 31,319	$ 25,832	$ 23,976	$ 28,866	$ 22,659	**$ 320,861**
FY2013	$ 33,617	$ 31,297	$ 23,446	$ 20,135	$ 30,003	$ 20,791	$ 20,318	$ 32,020	$ 21,136	$ 22,435	$ 27,973	$ 26,025	**$ 309,197**
FY2012	$ 31,540	$ 37,196	$ 38,349	$ 29,926	$ 30,992	$ 24,484	$ 37,230	$ 41,230	$ 24,369	$ 40,830	$ 26,679	$ 27,612	**$ 390,438**
	*Net payment after correcting an audit error.												**$ -**



Industry	Amount	% Change	Adjusted Chan	YTD	FYTD
General Services	$13,805.70	37.90%	-11.17%	$70,117.57	$95,988.40
Retail	$7,680.71	-4.35%	7.98%	$64,045.58	$86,748.64
Wholesale	$6,052.30	-12.87%	-12.02%	$51,194.87	$70,233.35
Professional Services	$5,954.50	17.55%	17.54%	$43,227.58	$59,565.10
Food	$2,727.30	10.31%	5.52%	$23,361.57	$31,613.87
Manufacturing	$2,030.87	-43.80%	28.00%	$55,845.37	$61,292.60
Miscellaneous	$942.54	82.59%	-21.46%	$1,476.74	$1,739.14
Agricultural	$33.27	-82.95%	0.00%	$9,537.46	$12,777.28
Accomodation	$0.00	0.00%	0.00%	$0.00	$0.00

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
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ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. $39,590 Sales Tax continues to outperform expectations, partially due to new business coming on the books
2. Board could consider paying back loan from Hughes Commercial for building repair early
3. Per Council direction, a separate bank account has been created. Working to finalize accounting before transferring funds.
4. Fund has recovered to a respectable cash position
5. EDC director engaged in long-term planning, including relationship with Chamber, hotel status, and Red's Roadhouse.

Rental Fees, MMD Tax and Rental Insurance are reported on the Accrual Basis of Accounting, while all other revenues and expenditures are reported on the Cash Basis. This procedure has been in effect for several years, but can be changed should the Board wish.

Brady Olsen
Finance Director

ADDITIONAL INFORMATION

FUND 15- OPERATING FUND (ALL BILLS AND REVENUE RECEIVED IN THIS FUND)
FUND 19- CAPITAL BOND FUND (REMAINING CAPITAL MONEY)
FUND 95- RESERVE FUND FOR DEBT REQUIREMENTS

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EDC CASH POSITION

CATEGORY	DESCRIPTION		FY17-18 YTD
FROM PREVIOUS MONTHS REPORT:			
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$	97,183
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	30,095
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$	121,678
BEGINNING CASH BALANCE - TOTAL		**$**	**248,956**
BEGINNING AVAILABLE CASH - TOTAL			**68,033**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$	65,270 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$	145,304
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	30,145
ENDING CASH BALANCE - FUND 95	(Required reserves)	$	121,838
ENDING CASH BALANCE - TOTAL		**$**	**297,287**
UNAVAILABLE CASH - EARMARKED			
2010 $2.0M BOND SALE REMAINING CASH	(Unspent bond proceeds)	$	30,145
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$	121,838
TOTAL UNAVAILABLE CASH		**$**	**151,983**
AVAILABLE CASH		**$**	**145,304**

*Due to prior period adjustments, beginning cash balance plus monthly income will not always be an exact match for ending cash balance

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COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 313,866**	**$ 313,866**	**$ 134,784**		**$ 302,131**			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	259,533	361,319	373,835	39,590	347,522	71.8%	93.0%	26,313
INVESTMENT EARNINGS	692	790	65	668	4,729	87.6%	7274.8%	(4,664)
MISCELLANEOUS INCOME	72,189	76,716	45,120	32,550	65,691	94.1%	145.6%	(20,571)
SURPLUS SALES/RENTALS	75,819	82,071	121,858	12,655	441,098	92.4%	362.0%	(319,240)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	**$ 410,592**	**$ 523,257**	**$ 605,597**	**$ 85,463**	**$ 859,040**	**78.5%**	**141.9%**	**$ (283,162)**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	43,180	44,464	25,112	5,934	122,339	97.1%	487.2%	(97,227)
SUNDRY	184,549	201,042	213,667	9,745	160,474	91.8%	75.1%	53,193
DEBT	164,664	169,431	169,777	4,514	182,046	97.2%	107.2%	(12,269)
TRANSFERS	154,819	154,819	182,307	-	67,588	100.0%	37.1%	114,720
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	**$ 558,566**	**$ 584,377**	**$ 592,963**	**$ 20,193**	**$ 732,159**	**95.6%**	**123.5%**	**$ (139,196)**
REVENUES OVER EXPENDITURES	$ (147,974)	$ (61,120)	$ 12,634	$ 65,270	$ 126,881			
ENDING FUND BALANCE	**$ 165,892**	**$ 252,746**	**$ 147,418**		**$ 429,012**			
FUND BALANCE AS % OF EXP	**29.7%**	**43.3%**	**24.9%**	**0.0%**	**58.6%**			
RESERVE ($115,000) REQUIREMENT)	$ -	$ -	$ 115,000	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 165,892**	**$ 252,746**	**$ 32,418**	**$ -**	**$ 429,012**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
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15: EDC4B FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 164,460**	**$ 164,460**	**$ (15,517)**		**$ 152,017**			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	259,533	361,319	373,835	39,590	347,522	71.8%	93.0%	26,313
INVESTMENT EARNINGS	68	82	65	459	3,114	83.3%	4790.8%	(3,049)
MISCELLANEOUS INCOME	72,189	76,716	45,120	32,550	65,691	94.1%	145.6%	(20,571)
SURPLUS SALES/RENTALS	75,819	82,071	121,858	12,655	441,098	92.4%	362.0%	(319,240)
TOTAL REVENUES	**$ 409,969**	**$ 522,549**	**$ 575,878**	**$ 85,254**	**$ 857,426**	**78.5%**	**148.9%**	**$ (281,548)**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	43,180	44,464	25,112	5,934	122,339	97.1%	487.2%	(97,227)
SUNDRY	184,549	201,042	213,667	9,745	160,474	91.8%	75.1%	53,193
DEBT	164,664	169,431	169,777	4,514	182,046	97.2%	107.2%	(12,269)
TRANSFERS	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	**$ 558,566**	**$ 584,377**	**$ 563,244**	**$ 20,193**	**$ 732,159**	**95.6%**	**130.0%**	**$ (168,915)**
REVENUES OVER EXPENDITURES	$ (148,598)	$ (61,828)	$ 12,634	$ 65,061	$ 125,267			
ENDING FUND BALANCE	**$ 15,862**	**$ 152,017**	**$ (2,883)**		**$ 277,283**			
FUND BALANCE AS % OF EXP	**2.8%**	**26.0%**	**-0.5%**	**0.0%**	**37.9%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 15,862**	**$ 152,017**	**$ (2,883)**	**$ -**	**$ 277,283**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
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15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
	AD VALOREM TAXES	**$ 2,360**	**$ 2,360**	**$ 35,000**	**$ -**	**$ -**	**100.0%**	**0.0%**	**$ 35,000**
4081-00-00	SALES TAX	259,533	361,319	373,835	39,590	347,522	71.8%	93.0%	26,313
	SALES/BEVERAGE TAXES	**$ 259,533**	**$ 361,319**	**$ 373,835**	**$ 39,590**	**$ 347,522**	**71.8%**	**93.0%**	**$ 26,313**
4401-00-00	INVESTMENT INCOME	68	82	65	459	3,114	83.3%	4790.8%	(3,049)
	INVESTMENT EARNINGS	**$ 68**	**$ 82**	**$ 65**	**$ 459**	**$ 3,114**	**83.3%**	**4790.8%**	**$ (3,049)**
4409-00-00	MISCELLANEOUS INCOME	72,189	76,716	45,120	2,753	35,895	94.1%	79.6%	9,225
4415-00-00	INSURANCE REIMBURSEMENTS	-	-	-	14,898	14,898	0.0%	0.0%	-
	MISCELLANEOUS INCOME	**$ 72,189**	**$ 76,716**	**$ 45,120**	**$ 32,550**	**$ 65,691**	**94.1%**	**145.6%**	**$ 9,225**
4805-00-00	RENTAL FEES-SHOPPING CENTER	75,458	81,710	121,112	12,655	91,919	92.3%	75.9%	29,193
4806-00-00	RENTAL INSURANCE	361	361	746	-	-	100.0%	0.0%	746
4884-00-01	SALE OF ASSETS	-	-	-	-	349,179	#DIV/0!	#DIV/0!	(349,179)
	SURPLUS SALES/RENTALS	**$ 75,819**	**$ 82,071**	**$ 121,858**	**$ 12,655**	**$ 441,098**	**#DIV/0!**	**#DIV/0!**	**$ (319,240)**
	TOTAL REVENUES	**$ 409,969**	**$ 522,549**	**$ 575,878**	**$ 85,254**	**$ 857,426**	**78.5%**	**148.9%**	**$ (251,751)**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 409,900**	**$ 522,467**	**$ 575,813**	**$ 84,795**	**$ 854,311**			
	10% ADMIN CHARGE-GENERAL FUND	40,990	52,247	57,581	8,480	85,431			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

15: EDC4B FUND

01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	-	2,000	-	-		0.0%	2,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	-	-	0.0%	0.0%	50
	SUPPLIES	**$ -**	**$ -**	**$ 2,100**	**$ -**	**$ -**		**0.0%**	**$ 2,100**
5501-01-00	ADVERTISING	390	390	1,200	-	35	100.0%	2.9%	1,165
5510-01-00	ASSOC DUES/PUBLICATIONS	4,855	4,855	5,320	-	4,890	100.0%	91.9%	430
5512-01-00	CONTRACTUAL SERVICES	-							
5525-01-00	TRAINING/SEMINARS	-	175	250	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	16,502	17,252	10,000	800	12,480	95.7%	124.8%	(2,480)
5567-01-00	AUDIT SERVICES	2,250	2,250	2,250	-	2,000	100.0%	88.9%	250
5570-01-00	SPECIAL SERVICES	75,445	81,145	68,650	-	12,299	93.0%	17.9%	56,351
5574-01-00	FILING FEES	40	40			-			-
5578-01-00	TRAVEL	-	-	100	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICES	2,128	2,128	-	-	-	100.0%		-
5595-01-00	ADMIN CHARGE-GENERAL FUND	40,990	44,926	81,647	6,804	74,843	91.2%	91.7%	6,804
5615-01-00	FUNCTIONAL GRANT	12,261	17,137	24,000	-	14,059	71.5%	58.6%	9,941
	SUNDRY	**$ 154,900**	**$ 170,298**	**$ 193,417**	**$ 7,604**	**$ 120,606**	**91.0%**	**62.4%**	**$ 72,811**
5800-01-00	LAND	1,274	1,968	-	-	22,000	64.7%	0.0%	(22,000)
5813-01-00	KENNEDALE ENTRANCE SIGN	-	-	-	-	-	0.0%	0.0%	-
5820-01-00	BUILDING IMPROVEMENT	-	-	-	-	-	0.0%	0.0%	-
5875-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ 1,274**	**$ 1,968**	**$ -**	**$ -**	**$ 22,000**	**64.7%**		**$ (22,000)**
	TOTAL EXPENDITURES	**$ 156,173**	**$ 172,266**	**$ 195,517**	**$ 7,604**	**$ 142,606**	**90.7%**	**72.9%**	**$ 52,911**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTEREST	58,689	58,689	54,905	-	54,831	100.0%	99.9%	74
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	55,000	55,000	60,000	-	60,000	100.0%	100.0%	-
5645-01-03	2011 $1.7M TX LEVERAGE-INT	14,354	15,879	14,278	1,372	21,062	90.4%	147.5%	(6,784)
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	36,621	39,863	40,594	3,142	46,154	91.9%	113.7%	(5,560)
	DEBT	**$ 164,664**	**$ 169,431**	**$ 169,777**	**$ 4,514**	**$ 182,046**	**97.2%**	**107.2%**	**$ (12,269)**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
	TRANSFER	**$ 154,819**	**$ 154,819**	**$ 152,588**	**$ -**	**$ 67,588**	**100.0%**	**44.3%**	**$ 85,001**
	TOTAL EXPENDITURES	**$ 319,483**	**$ 324,250**	**$ 322,365**	**$ 4,514**	**$ 249,634**	**98.5%**	**77.4%**	**$ 72,731**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

15: EDC4B FUND

02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	43,180	44,464	25,112	5,934	122,339	97.1%	487.2%	(97,227)
	MAINTENANCE	**$ 43,180**	**$ 44,464**	**$ 25,112**	**$ 5,934**	**$ 122,339**	**97.1%**	**487.2%**	**$ (97,227)**
5530-02-00	ELECTRIC SERVICES	5,480	5,924	6,700	1,641	7,337	92.5%	109.5%	(637)
5545-02-00	INSURANCE-PROPERTY	6,507	6,507	6,500	-	8,341	100.0%	128.3%	(1,841)
5570-02-00	SPECIAL SERVICES	17,662	18,312	7,050	500	24,191	96.5%	343.1%	(17,141)
	SUNDRY	**$ 29,650**	**$ 30,744**	**$ 20,250**	**$ 2,141**	**$ 39,868**	**96.4%**	**196.9%**	**$ (19,618)**
	TOTAL EXPENDITURES	**$ 72,830**	**$ 75,209**	**$ 45,362**	**$ 8,075**	**$ 162,207**	**96.8%**	**357.6%**	**$ (116,845)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

15: EDC4B FUND

03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	2,573	-	-	-	0.0%		-
5847-03-00	CONSTRUCTION	10,080	10,080	-	-	177,712	0.0%		(177,712)
	CAPITAL	**$ 10,080**	**$ 12,653**	**$ -**	**$ -**	**$ 177,712**	**0.0%**		**$ (177,712)**
	TOTAL EXPENDITURES	**$ 10,080**	**$ 12,653**	**$ -**	**$ -**	**$ 177,712**	**0.0%**		**$ (177,712)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

15: EDC4B FUND

04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	-	-	-	-		0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 29,444**	**$ 29,444**	**$ 29,719**		**$ 29,649**			
INVESTMENT EARNINGS	181	205	-	49	410	87.9%		(410)
TOTAL REVENUES	**$ 181**	**$ 205**	**$ -**	**$ 49**	**$ 410**	**87.9%**		**$ (410)**
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 29,719**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 181	$ 205	$ (29,719)	$ 49	$ 410			
ENDING FUND BALANCE	**$ 29,625**	**$ 29,649**	**$ 0**		**$ 30,060**			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 29,625**	**$ 29,649**	**$ 0**	**$ -**	**$ 30,060**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	181	205	-	49	410	87.9%		(410)
	INVESTMENT EARNINGS	**$ 181**	**$ 205**	**$ -**	**$ 49**	**$ 410**	**87.9%**		**$ (410)**
	TOTAL REVENUES	**$ 181**	**$ 205**	**$ -**	**$ 49**	**$ 410**	**87.9%**		**$ (410)**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-01-00	TRANSFER OUT	-	-	-	-	-	0.0%	0.0%	-
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
5800-01-00	LAND	-	-	-	-	-	0.0%	0.0%	-
5847-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

95: EDC4B RESERVE FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 119,962**	**$ 119,962**	**$ 120,582**		**$ 120,464**			
INVESTMENT EARNINGS	443	502	-	160	1,204	88.2%		(1,204)
TOTAL REVENUES	**$ 443**	**$ 502**	**$ -**	**$ 160**	**$ 1,204**	**88.2%**		**$ (1,204)**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 443	$ 502	$ -	$ 160	$ 1,204			
ENDING FUND BALANCE	**$ 120,405**	**$ 120,464**	**$ 120,582**		**$ 121,669**			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE ($112,606 REQUIREMENT)	$ 112,606	$ 112,606	$ 112,606	$ 112,606	$ 112,606			
RESERVE SURPLUS/(SHORTFALL)	**$ 7,799**	**$ 7,858**	**$ 7,976**	**$ (112,606)**	**$ 9,063**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
AUGUST 2018

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	443	502	-	160	1,204	88.2%		(1,204)
	INVESTMENT EARNINGS	**$ 443**	**$ 502**	**$ -**	**$ 160**	**$ 1,204**	**88.2%**		**$ (1,204)**
	TOTAL REVENUES	**$ 443**	**$ 502**	**$ -**	**$ 160**	**$ 1,204**	**88.2%**		**$ (1,204)**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

KENNEDALE
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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Discuss and consider economic development strategies and objectives including identification of properties owned by the Kennedale Economic Development Corporation

II. Summary:

At the EDC Special Board Meeting on September 14th, the Board requested that an item be placed on the September 25th regular meeting to discuss properties owned by the EDC. In addition the staff had discussed holding a special meeting with the Board relative to economic development strategies and goals of the Board. We had discussed having such a broader strategic planning discussion in a special meeting.

This item **IV B** is posted to meet initial objectives of the staff and the Board to discuss both issues in a broad sense and determine whether or not a special meeting is timely. At this meeting however, Director of Planning and Economic Development, Melissa Dailey, will present further discussion regarding economic development strategies for Board discussion. Her presentation will be an extension of previous discussions with the Board regarding the Comprehensive Plan and should take about 20-30 minutes.

Although staff will not likely be prepared to discuss individual properties now owned by the EDC in detail, we have included a list of such properties. Details of the reasons for purchase and ownership of any of these sites would still require further research by current staff if such work is determined desirable by the Board.

Board discussion and direction is respectfully requested.

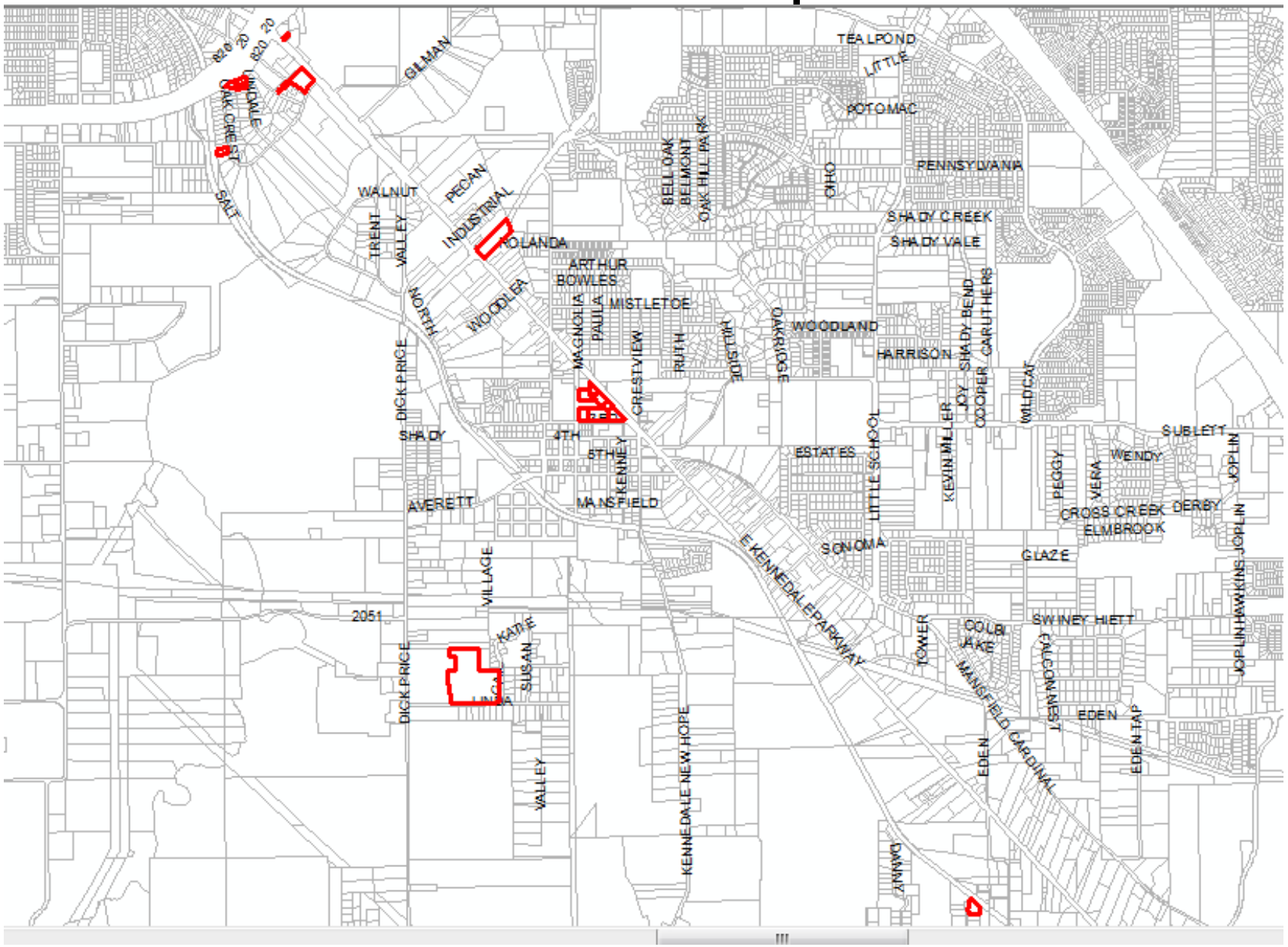
III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	EDC Owned Properties	EDC Owned Properties.pdf
2.	EDC Properties	EDC Properties.pdf

EDC Owned Properties



KENNEDALE EDC OWNED PROPERTIES (September 28, 2018)

Account_Nu	Owner_Name	Situs_Addr	LegalDescr
01989383	KENNEDALE ECONOMIC DEVELOPMENT	6713 OAK CREST DR W	OAK CREST ADDITION Block 7 Lot 19A
41494466	KENNEDALE ECONOMIC DEVELOPMENT	111 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 6
41706366	KENNEDALE ECONOMIC DEVELOPMENT	1109 W KENNEDALE PKWY	OAK CREST ADDITION Block 4 Lot 1R PER PLAT D214052742
41569822	KENNEDALE ECONOMIC DEVELOPMENT	105 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 5R
41494415	KENNEDALE ECONOMIC DEVELOPMENT	121 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 2R
42040734	KENNEDALE ECONOMIC DEVELOPMENT	S DICK PRICE RD	HARRIS CORPORATION ADDITION Block 1 Lot 1A2
01989235	KENNEDALE ECONOMIC DEVELOPMENT	6708 LINDALE RD	OAK CREST ADDITION Block 7 Lot 5
01989405	KENNEDALE ECONOMIC DEVELOPMENT	6701 OAK CREST DR W	OAK CREST ADDITION Block 7 Lot 20 LESS ROW
41569814	KENNEDALE ECONOMIC DEVELOPMENT	107 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 4R1
01988239	KENNEDALE ECONOMIC DEVELOPMENT	6820 OAK CREST DR W	OAK CREST ADDITION Block 1 Lot 31 1980 14 X 80 ID#
42084995	KENNEDALE ECONOMIC DEVELOPMENT	7224 BLOXOM PARK RD	BLOXOM PARK ADDITION Block 2 Lot 1
42220775	KENNEDALE ECONOMIC DEVELOPMENT	5424 HIGH RIDGE RD	OAK CREST ADDITION Block 5 Lot 6R OPEN LAND SPACE
04478924	KENNEDALE ECONOMIC DEVELOPMENT	600 W KENNEDALE PKWY	WOODLEA ACRES ADDITION Block 1 Lot 8
41494474	KENNEDALE ECONOMIC DEVELOPMENT	113 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 7
41494407	KENNEDALE ECONOMIC DEVELOPMENT	109 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 1R
41494423	KENNEDALE ECONOMIC DEVELOPMENT	223 W KENNEDALE PKWY	KENNEDALE RETAIL CENTER ADDN Block A Lot 3R
04161785	KENNEDALE ECONOMIC DEVELOPMENT	5411 KENNEDALE PKWY	STRICKLAND, DAVID SURVEY Abstract 1376 Tract 32B01
01989227	KENNEDALE ECONOMIC DEVELOPMENT	6704 LINDALE RD	OAK CREST ADDITION Block 7 Lot 4 4 LESS ROW BLK 7

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
Discuss and provide staff direction regarding the lease of Kennedale Chamber office building

II. Summary:

At the EDC Special Board Meeting on September 14th, the Board requested that an item be placed on their September 25th regular agenda to discuss the current lease of the Chamber of Commerce building on Lot 8R of the TownCenter. Attached for reference is a copy of the lease between the EDC and the Chamber of Commerce.

It appears this lease did commence on or about February 1, 2012. The lease therefore expires on September 30th of each year and automatically renews for 12 months unless either party gives notice to cancel the lease **at least 90 days** before the date of termination. Since there has been no notice of an EDC intent to cancel this year, the earliest the lease could be terminated by the EDC is September 30, 2019.

Note also on page 4 of the lease that the tenant is required to pay all utilities directly to the various utility companies.

Board discussion and direction is respectfully requested.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	Chamber of Commerce Lease	Chamber of Commerce Lease.pdf

TEXAS ASSOCIATION OF REALTORS®

COMMERCIAL LEASE

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1. PARTIES: The parties to this lease are:

Landlord: KENNEDALE ECONOMIC DEVEL CORP ; and

Tenant: KENNEDALE CHAMBER OF COMMERCE .

2. LEASED PREMISES:

A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements *(Check only one box)*:

☐ (1) Multiple-Tenant Property: Suite or Unit Number _____ containing approximately _____ square feet of rentable area in _____ *(project name)* at _____ *(address)* in _____ *(city)*, _____ *(county)*, Texas, which is legally described on attached Exhibit _____ or as follows: _____ .

☒ (2) Single-Tenant Property: The real property at: 205 KENNEDALE PKWY *(address)* in KENNEDALE *(city)*, TARRANT *(county)*, Texas, which is legally described on attached Exhibit _____ or as follows: LOT 8R BLOCK A, KENNEDALE RETAIL CENTER ADD, CITY OF KENNEDALE, TARRANT COUNTY TEXAS .

B. If Paragraph 2A(1) applies:
(1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
(2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property. The rentable area ☐ will ☐ will not be adjusted if re-measured.

3. TERM:

A. Term: The term of this lease is 8 months and _____ days, commencing on:

FEB1, 2012 (Commencement Date)

and ending on SEPT 30, 2012 (Expiration Date).

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Commerical lease concerning: 205 Kennedale Parkway, Kennedale, Texas 76060

Addendum-page 2a

Term:

Thereafter, the term of the lease is 12 months, commencing on October 1 and ending on September 30 of each year. This agreement will be extended annually unless landlord or tenant provides a 90 – day notice of termination.

Initialed for identification by Tenant _____, and Landlord _____

B. Delay of Occupancy: If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 90th day after the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.

C. Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

A. Base Monthly Rent: On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit _____ or as follows:

Dates		Rate per rentable square foot *(optional)*		Base Monthly Rent $
From	To	$ Monthly Rate	$ Annual Rate	
FEB 1	SEPT 30	/ rsf / month	/ rsf / year	10.00
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

B. Additional Rent: In addition to the base monthly rent, Tenant will pay Landlord all other amounts, as provided by the attached *(Check all that apply.)*:
☐ (1) Commercial Lease Addendum for Expense Reimbursement (TAR-2103)
☐ (2) Commercial Lease Addendum for Percentage Rent (TAR-2106)
☐ (3) Commercial Lease Addendum for Parking (TAR-2107)
☐ (4) _____
All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

C. First Full Month's Rent: The first full monthly rent is due on or before _____

D. Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

E. Place of Payment: Tenant will remit all amounts due Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: KENNEDALE ECONOMIC DEVELOPMENT CORP., ATTN: EXECUTIVE DIRECTOR
Address: 405 MUNICIPAL DR.
KENNEDALE, TX. 76060

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F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.

G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.

H. Returned Checks: Tenant will pay $ 25.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.

5. SECURITY DEPOSIT:

A. Upon execution of this lease, Tenant will pay $ 100.00 to Landlord as a security deposit.

B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.

C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

6. TAXES: Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises.

7. UTILITIES:

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities. *(Check all that apply.)*

	N/A	Landlord	Tenant
(1) Water	☐	☐	☒
(2) Sewer	☐	☐	☒
(3) Electric	☐	☐	☒
(4) Gas	☐	☐	☒
(5) Telephone	☐	☐	☒
(6) Internet	☐	☐	☒
(7) Cable	☐	☐	☒
(8) Trash	☐	☐	☒
(9) COMMON AREA MAINTENANCE	☐	☐	☒
(10) All other utilities	☐	☐	☒

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider except that if Tenant selects the provider, any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

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C. Notice: **Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.**

D. After-Hours HVAC Charges: "HVAC services" means heating, ventilating, and air conditioning of the leased premises. *(Check one box only.)*

☐ (1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.

☐ (2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of $ _____ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.

☐ (3) Tenant will pay for the HVAC services under this lease.

8. INSURANCE:

A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas:
(1) public liability insurance naming Landlord as an additional insured with policy limits on an occurrence basis in a minimum amount of: *(check only (a) or (b) below)*
☐ (a) $1,000,000; or
☐ (b) $2,000,000.
If neither box is checked the minimum amount will be $1,000,000.
(2) personal property damage insurance for the business operations being conducted in the leased premises and contents in the leased premises in an amount sufficient to replace such contents after a casualty loss; and
☐ (3) business interruption insurance sufficient to pay 12 months of rent payments;

B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.

C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:
(1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or
(2) exercise Landlord's remedies under Paragraph 20.

D. Unless the parties agree otherwise, Landlord will maintain in full force and effect insurance for: (1) fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property; and (2) any public liability insurance in an amount that Landlord determines reasonable and appropriate.

E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notifies Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

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9. USE AND HOURS:

A. Tenant may use the leased premises for the following purpose and no other: CHAMBER OF COMMERCE FUNCTIONS

B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.

C. The Property maintains operating hours of *(specify hours, days of week, and if inclusive or exclusive of weekends and holidays)*: _____

10. LEGAL COMPLIANCE:

A. Tenant may not use or permit any part of the leased premises or the Property to be used for:
(1) any activity which is a nuisance or is offensive, noisy, or dangerous;
(2) any activity that interferes with any other tenant's normal business operations or Landlord's management of the Property;
(3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' association rules, Landlord's rules or regulations, or this lease;
(4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
(5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
(6) the permanent or temporary storage of any hazardous material; or
(7) _____

B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.

C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.

11. SIGNS:

A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.

B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.

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C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs that were placed on the Property or leased premises by or at the request of Tenant. Any signs that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

12. ACCESS BY LANDLORD:

A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the leased premises.

B. During the last 90 days of this lease, Landlord may place a "For Lease" or similarly worded sign in the leased premises.

13. MOVE-IN CONDITION: Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:

A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.

B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.

C. "Surrender" means vacating the leased premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.

D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

15. MAINTENANCE AND REPAIRS:

A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. ☐ Landlord ☒ Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

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B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. *(Check all that apply.)*

	N/A	Landlord	Tenant
(1) Foundation, exterior walls, roof, and other structural components	☐	☒	☐
(2) Glass and windows	☐	☐	☒
(3) Fire protection equipment and fire sprinkler systems	☐	☐	☒
(4) Exterior & overhead doors, including closure devices, molding, locks, and hardware	☐	☐	☒
(5) Grounds maintenance, including landscaping and irrigation systems	☐	☒	☒
(6) Interior doors, including closure devices, frames, molding, locks, and hardware	☐	☐	☒
(7) Parking areas and walks	☐	☒	☐
(8) Plumbing systems, drainage systems and sump pumps	☐	☐	☒
(9) Electrical systems, mechanical systems	☐	☐	☒
(10) Ballast and lamp replacement	☐	☐	☒
(11) Heating, Ventilation and Air Conditioning (HVAC) systems	☐	☐	☒
(12) Signs and lighting:			
(a) Pylon	☒	☐	☐
(b) Facia	☒	☐	☐
(c) Monument	☐	☐	☒
(d) Door/Suite	☒	☐	☐
(e) Other: _____	☐	☐	☐
(13) Extermination and pest control, excluding wood-destroying insects	☐	☐	☒
(14) Fences and Gates	☒	☐	☐
(15) Storage yards and storage buildings	☒	☐	☐
(16) Wood-destroying insect treatment and repairs	☐	☐	☒
(17) Cranes and related systems	☒	☐	☐
(18) _____		☐	☐
(19) _____		☐	☐
(20) All other items and systems.		☐	☐

D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(11), Tenant ☒ is ☐ is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord's remedies under Paragraph 20.

F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, provided that such change does not materially impair Tenant's use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.

G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.

H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.

16. ALTERATIONS:

A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.

B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.

C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.

D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

17. LIENS: Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

18. LIABILITY: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property;

B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

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19. **INDEMNITY:** Each party will indemnify and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.

20. **DEFAULT:**

A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 10 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.

C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:
(1) any lost rent;
(2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
(3) repairs to the leased premises for use beyond normal wear and tear;
(4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
(5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
(6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
(7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
(8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property;
(9) any other recovery to which Landlord may be entitled under this lease or under law.

21. **ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:** Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

22. **HOLDOVER:** If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

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23. **LANDLORD'S LIEN AND SECURITY INTEREST:** To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the leased premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a financing statement to perfect Landlord's security interest under the Uniform Commercial Code.

24. **ASSIGNMENT AND SUBLETTING:** Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

25. **RELOCATION:**

☐ A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving expenses" means reasonable expenses payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationary and business cards. A relocation of Tenant will not change or affect any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.

☒ B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

26. **SUBORDINATION:**

A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
(1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
(2) all advances made under any such lien, encumbrance, or ground lease;
(3) the interest payable on any such lien or encumbrance;
(4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
(5) any restrictive covenant affecting the leased premises or the Property; and
(6) the rights of any owners' association affecting the leased premises or Property.

B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease are recognized by the lien-holder.

27. **ESTOPPEL CERTIFICATES & FINANCIAL INFORMATION:**

A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.

B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

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28. CASUALTY LOSS:

A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.

B. If the leased premises are less than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.

C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore and does not substantially restore the leased premises within the time required, Tenant may terminate this lease.

D. If Landlord notifies Tenant that Landlord cannot substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss, Landlord may: (1) choose not to restore and terminate this lease; or (2) choose to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.

E. If this lease does not terminate because of a casualty loss, rent will be reduced from the date Tenant notifies Landlord of the casualty loss to the date the leased premises are substantially restored by an amount proportionate to the extent the leased premises are unusable.

29. CONDEMNATION: If after a condemnation or purchase in lieu of condemnation the leased premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the leased premises or Property are partially unusable for the purposes of this lease, this lease will continue and rent will be reduced in an amount proportionate to the extent the leased premises are unusable. Any condemnation award or proceeds in lieu of condemnation are the property of Landlord and Tenant has no claim to such proceeds or award. Tenant may seek compensation from the condemning authority for its moving expenses and damages to Tenant's personal property.

30. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover prejudgment interest, reasonable attorney's fees, and all other costs of litigation from the nonprevailing party.

31. REPRESENTATIONS:

A. Tenant's statements in this lease and any application for rental are material representations relied upon by Landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign the lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.

B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, except: _____

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C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

32. BROKERS:

A. The brokers to this lease are:

Principal Broker License No.	Cooperating Broker License No.
Agent	Agent
Address	Address
Phone Fax	Phone Fax
E-Mail License No.	E-Mail License No.

Principal Broker: *(Check only one box)*
☐ represents Landlord only.
☐ representsTenant only.
☐ is an intermediary between Landlord and Tenant.

Cooperating Broker represents Tenant.

B. Fees:

☐ (1) Principal Broker's fee will be paid according to: *(Check only one box).*
☐ (a) a separate written commission agreement between Principal Broker and:
☐ Landlord ☐ Tenant.
☐ (b) the attached Addendum for Broker's Fee.

☐ (2) Cooperating Broker's fee will be paid according to: *(Check only one box).*
☐ (a) a separate written commission agreement between Cooperating Broker and:
☐ Principal Broker ☐ Landlord ☐ Tenant.
☐ (b) the attached Addendum for Broker's Fee.

33. ADDENDA: Incorporated into this lease are the addenda, exhibits and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

34. NOTICES: All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Landlord at: KENNEDALE ECONOMIC DEVELOPMENT CORP., ATTN: EXEC DIR.
Address: 405 MUNICIPAL DR, KENNEDALE, TX 76060
Phone: (817) 985-2102 Fax:
and a copy to: CITY SECRETARY, CITY OF KENNEDALE
Address: 405 MUNICIPAL DR., KENNEALE, TX 76060
Phone: (817) 985-2104 Fax:
☒ Landlord also consents to receive notices by e-mail at: BHART@CITYOFKENNEDALE.COM

Tenant at the leased premises,
and a copy to: PRESIDENT, ECONOMIC DEVELOPMENT CORP. ATT: EXEC DIR
Address: 205 KENNEDALE PKWY., PO BOX 1552, KENNEDALE, TX. 76060
Phone: _____ Fax: _____
[X] Tenant also consents to receive notices by e-mail at: info@kennedalechamber.com

35. SPECIAL PROVISIONS:

36. AGREEMENT OF PARTIES:

A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.

B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.

C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.

D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.

E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.

F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.

G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.

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H. Force Majeure: If Landlord's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's control, the time for Landlord's performance will be abated until after the delay.

I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. READ THIS LEASE CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

Landlord: KENNEDALE ECONOMIC DEVEL CORP

By: _____

By (signature): Bob Hart
Printed Name: BOB HART
Title: EXEC DIR.

By: _____

By (signature): _____
Printed Name: _____
Title: _____

Tenant: KENNEDALE CHAMBER OF COMMERCE

By: _____

By (signature): Pat Doescher Chair
Printed Name: PAT DOESCHER
Title: CHAIRMAN

By: _____

By (signature): _____
Printed Name: _____
Title: _____

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CHAMBER OF

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - D.

I. Subject:
Consider approval of a 12-month extension and rent increase for Red's Roadhouse at 1170 E. Kennedale Parkway

II. Summary:

At its Regular Meeting on August 28th, the EDC Board postponed any action regarding the request by the current lessee of the Red's Roadhouse located at 1170 E. Kennedale Parkway to extend the lease by 12 months. The current lease will expire in November, 2018, pursuant to lease amendment #2 approved by the Board on October 24, 2017. The request is, therefore, to extend the lease to November, 2019. The amendment extending the lease for Board consideration has been prepared by the City Attorney and is attached here..

At the time of the August meeting the staff and the City Attorney had not finished research regarding the terms of the deed transferring the property to the EDC and the lease agreement with the Pennington Family Limited Partnership.

Since the meeting in August the Executive Director has discussed circumstance of the deed, the lease and the request for extension with the City Attorney and with the lessee, Mr. Pennington.

The Executive Director is satisfied that the extension of the lease arrangements continues to meet the intent of the use of the property for economic development purposes as identified in the deed from the Bloxom Foundation and the Purchase and Sale and Lease agreements with the Pennington Family Limited Partnership.

An Executive Session item for the discussion of this lease of 1170 E. Kennedale Parkway has also been posted on the agenda.

Board discussion and consideration is respectfully requested.

III. Recommendation:
Approve

IV. Alternative Actions:

V. Attachments:

1.	Pennington-Reds Road House 3rd Amend Option 2	Pennington-Reds Road House 3rd Amend Option 2.pdf

THIRD AMENDMENT TO LEASE PURCHASE AGREEMENT

This Third Amendment to Lease Purchase Agreement ("**Amendment**") is made and entered into as of the ____ day of _____, 2018, by and between the **KENNEDALE ECONOMIC DEVELOPMENT CORPORATION,** a Texas corporation ("**Landlord**"), and **PENNINGTON FAMILY LIMITED PARTNERSHIP** and/or its assigns ("**Tenant**").

WHEREAS, Landlord and Tenant entered into that certain Lease Purchase Agreement effective November 1, 2011 (the "**Agreement**"), for the lease of certain real property in the City of Kennedale, Tarrant County, Texas (the "**Premises**", as defined in the Agreement); and

WHEREAS, Landlord and Tenant previously entered into an Amendment to Agreement of Lease Purchase Agreement ("**First Amendment**") which extended the Term of the Agreement to November 30, 2017, raised the rent and late fee charge, and provided that all other terms of the Agreement remained in full force and effect; and

WHEREAS, Landlord and Tenant previously entered into a Second Amendment to Lease Purchase Agreement ("**Second Amendment**") which extended the Term of the Agreement to November 30, 2018, raised the rent, made the Tenant liable for ad valorem taxes, and provided that all other terms of the Agreement remained in full force and effect; and

WHEREAS, the parties desire to further amend the Agreement as provided below.

NOW, THEREFORE, in consideration of the mutual rights and obligations set forth below and in the Agreement, Landlord and Tenant hereby agree as follows:

1. **Extension of the Term.** Section 2(a) of the Agreement is hereby amended by extending the Term to November 30, 2019.

2. **Rent.** Section 3 of the Agreement is amended to increase the Monthly Rent for the extended Term, and Tenant agrees to pay to Landlord Monthly Rent for the Premises in the amount of $_____ for the remainder of the Term.

2. **Effect of Amendment**. All other terms and conditions of the Agreement, First Amendment, and Second Amendment, with the exception of the terms modified by this Amendment, shall remain in full force and effect.

3. **Effective Date**. This Amendment is effective as of December 1, 2018.

[Signature Page Follows]

LANDLORD:

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

By: _____
Robert Mundy, President

TENANT:

PENNINGTON FAMILY LIMITED PARTNERSHIP, a Texas limited partnership

By: **Pennington Family, LP, Inc.,**
a Texas corporation, its General Partner

By: _____
Adlai Pennington, President

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - E.

I. Subject:
Discuss and give staff direction regarding the hotel development in the Oak Crest area

II. Summary:
At its Regular Meeting on August 28th, the EDC Board requested that an item be included on the next regular agenda to discuss the status of the hotel property development by Karmali Holdings Inc. in the Oak Crest area. The Board members will recall that the developer, pursuant to a development agreement entered into in February 2017, purchased property from the EDC in December 2017. The development agreement provides that the developer will have project construction commence prior to December 2020. To date, no development plans have been submitted to the City for review.

The developer has been contacted for an update on the status of the project and provided the following information:

- Following completion of other development activities of the developer, the Kennedale project is now the number one priority of the developer
- Architecture plans, at about 30% completion, will be submitted to the City Manager within two weeks
- The developer anticipates that applications for permitting could be submitted to the city in two months, although there is still question as to when development will start

This item is also place on the agenda for discussion in Executive Session as item VI B.

Board discussion and direction is appreciated.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:

A. TownCenter
B. Oak Crest
C. Chamber of Commerce Report

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
Discuss Red's Roadhouse lease

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:
Discuss the Chapter 380 and Economic Development Corporation Agreement between the City of Kennedale, the Kennedale Economic Development Corporation, and Karmali Holdings, Inc.

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	380 Agreement-Karmali	380 Agreement-Karmali.pdf

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: EXECUTIVE SESSION - C.

I. Subject:
Discuss the Kennedale Chamber office building lease

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments: