

RESOLUTION NO. R-2016-3456

WHEREAS, United Parcel Service, Inc. and BT-OH, LLC, (herein collectively referred to as “UPS”) has expressed to the City of Round Rock (“City”) its desire to locate a distribution and warehouse facility to the City which will provide jobs and additional tax base to the City, and

WHEREAS, §380.001 Local Government Code provides that a municipality may establish an economic development program (“Program”) to promote local economic development and to stimulate business and commercial activity in the municipality, and

WHEREAS, the City Council has determined that the Program described in Exhibit “A” will meet the goals set forth in said §380.001 and will be of mutual benefit to both parties, Now Therefore

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROUND ROCK, TEXAS,

That the City offers to UPS a §380.001 Program in exchange for UPS locating a distribution and warehouse facility in the City, and

BE IT FURTHER RESOLVED

That the offer of the Program shall be as generally outlined in Exhibit “A” attached hereto and incorporated herein for all purposes.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

RESOLVED this 12th day of May, 2016.

ALAN MCGRAW, Mayor
City of Round Rock, Texas

ATTEST:

SARA L. WHITE, City Clerk

EXHIBIT A
ECONOMIC DEVELOPMENT PROGRAM

The terms of the \$380,001 Economic Development Program to be offered to United Parcel Service, Inc., (“UPS”) in exchange for UPS's locating a distribution and warehouse facility in the City of Round Rock are as generally outlined below:

1. UPS’s obligations:
 - 1.1. UPS agrees to purchase a tract of land containing approximately 50 acres (the “Property”).
 - 1.2. UPS agrees to construct a distribution and warehouse facility containing approximately 100,000 square feet (the “Facility”).
 - 1.3. UPS agrees to invest at least \$70,000,000 in Facility improvements and personal property.
 - 1.4. UPS agrees to employ at least 314 full-time equivalent employees in the Facility.

2. City’s obligations:
 - 2.1. City shall, subject to UPS’s satisfaction of its obligations set out above, make the Economic Incentive Payments to UPS based upon ad valorem property taxes on the Facility paid by UPS as follows:

<u>Year</u>	<u>Percentage of Property Tax Paid</u>
2019	100%
2020	100%
2021	100%
2022	75%
2023	75%
2024	50%
2025	50%
2026	25%

- 2.2. In addition, the City shall, subject to UPS’s satisfaction of its obligations set out above, make the Additional Economic Incentive Payments to UPS as follows:

<u>Year</u>	<u>Amount of Annual EIP’s</u>
2019	\$250,000
2020	\$250,000

3. The terms and provisions of this Program will be set out in more detail in the Economic Development Program Agreement of even date herewith.