

RESOLUTION NO. R2021-37

A RESOLUTION OF THE CITY COUNCIL OF BURNET TEXAS APPROVING A FINANCING USE AND SALES TAX AGREEMENT WITH THE CITY OF BURNET; AND ENACTING OTHER PROCEDURES AND PROVISIONS RELATING TO THE PURPOSES OF THIS RESOLUTION

WHEREAS, the Corporation was created by the City pursuant to authority granted by Article 5190.6, Texas Revised Civil Statutes, as amended (the "Act"), specifically with the Corporation to possess the powers granted by Section 4B of the Act [now Chapter 505, Texas Local Government Code]; and

WHEREAS, the citizens of the City by vote at a duly called election approved the levy of a one-half of one percent sales and use tax upon the receipts at retail of taxable items, pursuant to Section 4B of the Act (the "Economic Development Sales Tax"); and

WHEREAS, under the Act and the provisions of the Texas Tax Code, disbursements of sales and use taxes are made to cities, such as the City, by the Comptroller of Public Accounts of Texas (the "Comptroller"); and

WHEREAS, the City on April 27, 2021, and the Corporation on April 20, 2021, at duly called and convened meetings, adopted resolutions approving and authorizing the Corporation to obtain a loan from First State Bank of Burnet in the principal amount of \$1,400,000.00 (the "Loan") for the purpose of financing an eligible project of the Corporation on property owned by the Corporation located in the City of Burnet, and to secure the Loan with Economic Development Sales Tax collected by the City under authority of Section 4B of the Act; and

WHEREAS, the City Council and the Board of Directors find it necessary and advisable to enter into an Agreement to evidence the duties and responsibilities of the respective parties with respect to the collection, remittance and transfer of such sales and use tax revenues.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Recitals. The recitals set out above are hereby adopted and incorporated herein for all purposes.

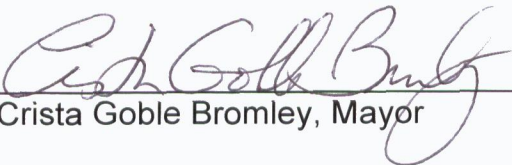
Section two. Approval. The "Financing Use and Sales and Tax Remittance Agreement" attached hereto is hereby approved.

Section three. Authorization. The Mayor is hereby authorized to execute the aforementioned Agreement on behalf of the City and take such ancillary actions and execute such ancillary documents as may reasonably be necessary to facilitate the purpose of this Resolution.

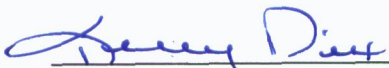
Section four. Effective date. This Resolution shall be effective upon passage and approval.

Passed and approved this 13th day of July, 2021

CITY OF BURNET, TEXAS


Crista Goble Bromley, Mayor

ATTEST:


Kelly Dix, City Secretary



FINANCING USE AND SALES TAX REMITTANCE AGREEMENT

THIS FINANCING USE AND SALES TAX REMITTANCE AGREEMENT (the "Agreement") is by and between the City of Burnet, Texas (the "City") and the Burnet Economic Development Corporation (the "Corporation"); and for the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Recitals

WHEREAS, the Corporation was created by the City pursuant to authority granted by Article 5190.6, Texas Revised Civil Statutes, as amended (the "Act"), specifically with the Corporation to possess the powers granted by Section 4B of the Act [now Chapter 505, Texas Local Government Code]; and

WHEREAS, the citizens of the City by vote at a duly called election approved the levy of a one-half of one percent sales and use tax upon the receipts at retail of taxable items, pursuant to Section 4B of the Act (the "Economic Development Sales Tax"); and

WHEREAS, under the Act and the provisions of the Texas Tax Code, disbursements of sales and use taxes are made to cities, such as the City, by the Comptroller of Public Accounts of Texas (the "Comptroller"); and

WHEREAS, the City on April 27, 2021, and the Corporation on April 20, 2021, at duly called and convened meetings, adopted resolutions approving and authorizing the Corporation to obtain a loan from First State Bank of Burnet in the principal amount of \$1,400,000.00 (the "Loan") for the purpose of financing an eligible project of the Corporation on property owned by the Corporation located in the City of Burnet, and to secure the Loan with Economic Development Sales Tax collected by the City under authority of Section 4B of the Act; and

WHEREAS, the parties hereto find it necessary and advisable to enter into this Agreement to evidence the duties and responsibilities of the respective parties with respect to the collection, remittance and transfer of such sales and use tax revenues.

NOW THEREFORE, in consideration of the covenants and agreements herein made, and subject to the conditions herein set forth, the City and the Corporation contract and agree as follows:

**ARTICLE I
TRANSFER OF SALES TAXES**

Section 1.1. Deposit of Funds with Depository. The City has established and maintains at an official depository bank of the City (the "Depository") an account into which taxes and other revenues of the City, including revenues derived from the Economic Development Sales Tax, are deposited. Pursuant to generally accepted accounting principles, the City maintains financial accounting records of all monies so deposited, including a record of all revenues derived from Economic Development Sales Taxes on behalf of the Corporation.

Section 1.2. Security for Funds. The City hereby agrees that monies on deposit in the aforementioned account with the Depository shall at all times be collateralized in the manner and with the collateral required by the City for its own funds.

Section 1.3. Change in Depository. The City reserves the right from time to time to change its official depository bank, and hereby agrees to give the Corporation advance written notice of any such change in its official depository bank.

**ARTICLE II
TRANSFER OF FUNDS**

Section 2.1. Collection of Economic Development Sales Tax. The President or Vice-President of the Board of Directors of the Corporation and the City Manager of the City shall take such actions as are required to cause the Economic Development Sales Tax to be delivered and transferred by the City to the Corporation by the last business day of each month.

Section 2.2. Use of Monies by Corporation. The Corporation agrees to use the Pledged Revenues on deposit in the Operating Fund in a manner consistent with the terms and conditions of the Corporation's Resolution No. R2021-03.

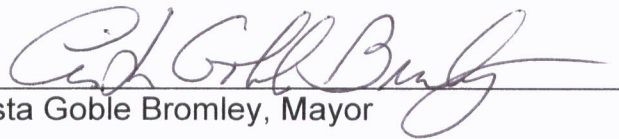
**ARTICLE III
EFFECTIVE DATE**

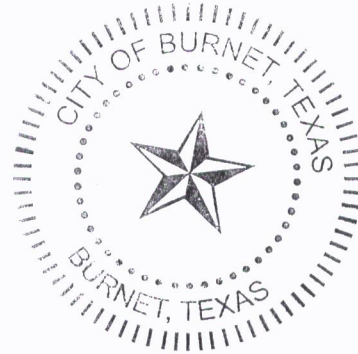
This Agreement shall become effective on July 13, 2021.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in multiple counterparts, each of which shall be considered an original for all purposes, as of the effective date.

CITY OF BURNET, TEXAS

By: 
Crista Goble Bromley, Mayor




ATTEST:



Kelly Dix, City Secretary

[CITY SEAL]

BURNET ECONOMIC DEVELOPMENT CORPORATION

By: 
Wayne Brown, Vice-President

ATTEST:


Kelly Dix, City Secretary

