

CITY OF IRVING

COUNCIL RESOLUTION NO. RES-2014-32

WHEREAS, the City and Aviall Services, Inc. (Aviall), entered into an Economic Incentive Agreement dated as of February 22, 2001, and amended as of September 7, 2006, which provided for a certain grant by the City related to Freeport Goods maintained by Aviall at its premises located at 2750 Regent Boulevard, consisting of a minimum of 605,000 square feet warehouse facilities employing a minimum of 340 full-time employees; and

WHEREAS, Article VIII, Section 1-j of the Texas Constitution has been amended effective January 1, 2014, to allow political subdivisions to extend the date by which aircraft parts exempted from ad valorem taxation under this section must be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the aircraft parts in this state; and

WHEREAS, the City and Aviall wish to amend the Agreement to revise the definition of Freeport Goods to conform to the amended Article VIII, Section 1-j of the Texas Constitution and other related matters;

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

SECTION I. THAT the City Council hereby approves the attached Second Amended Economic Development Agreement between the City of Irving and Aviall Services, Inc., and the Mayor is authorized to execute said agreement.

SECTION II. THAT this resolution shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF IRVING, TEXAS,
on February 6, 2014.



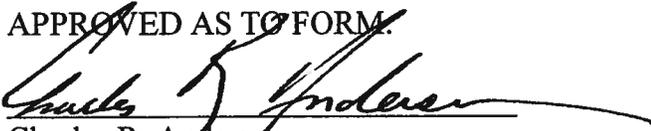
BETH VAN DUYNÉ
MAYOR

ATTEST:



Shanae Jennings
City Secretary

APPROVED AS TO FORM:



Charles R. Anderson
City Attorney



STATE OF TEXAS

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KNOW ALL PERSONS BY THESE PRESENTS

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COUNTY OF DALLAS

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SECOND AMENDMENT TO ECONOMIC INCENTIVE AGREEMENT

This Second Amendment to the Economic Incentive Agreement dated February 22, 2001 (the "Agreement"), is made as of the 6th day of February, 2014, by and between the City of Irving, Texas (the "City") and Aviall Services, Inc. ("Aviall").

WHEREAS, the City and Aviall entered into an Economic Incentive Agreement Renewal dated as of September 7, 2006, which extended the term of the 2001 Agreement and provided for a certain grant by the City related to Freeport Goods maintained by Aviall at its premises located at 2750 Regent, consisting of a minimum of 605,000 square feet warehouse facilities employing a minimum of 340 full time employees; and

WHEREAS, Article VIII Section 1-j of the Texas Constitution has been amended effective January 1, 2014, to allow political subdivisions to extend the date by which aircraft parts exempted from ad valorem taxation under this section must be transported outside the State to a date not later than the 730th day after the date the person acquired or imported the aircraft parts in this State; and

WHEREAS, the City and Aviall wish to amend the Agreement to revise the definition of Freeport Goods to conform to the amended Article VIII Section 1-j of the Texas Constitution and other related matters; and

WHEREAS, all prerequisites for the approval of the Amendment have been met.

NOW, THEREFORE, in consideration of the above premises, the Agreement is amended as follows:

1. Article I. Definitions. of the Agreement is hereby amended as follows:

Wherever used in this Agreement, the term "Freeport Goods" shall mean that personal property as defined by Article VIII, Section 1-j of the Texas Constitution, and as may be amended. In accordance with Article VIII, Section 1-j (d) of the Texas Constitution, Freeport Goods shall include aircraft parts which are transported outside of the State of Texas not later than the 730th day after the date Aviall Services, Inc. acquired or imported the aircraft part into the State of Texas.

The term "Premises" shall mean 2750 and 2755 Regent Blvd, Irving, Texas.

2. Article II. Consideration of the Agreement is hereby amended as follows:

In consideration of Aviall Services Inc.'s office and warehouse at the Premises continuing through 2021 and consisting of at least six hundred five thousand (605,000) square feet and the continued employment of at least three hundred forty (340) employees and maintaining an inventory at the Premises of which a portion of said inventory includes Freeport Goods, the City will make a grant of lawfully available funds to Aviall, no later than March 31st of each applicable year, an amount equal to the ad valorem personal property tax Aviall paid to the City for the previous year on total taxable value as determined by DCAD, less the taxable value amount shown below:

2014	85,233,537
2015	88,216,711
2016	91,304,296
2017	94,499,946
2018	97,807,444
2019	101,230,705
2020	104,773,779
2021	108,440,862

Solely by way of example: Assume total taxable value of personal property at the premises for 2014 is \$968,998,720. Reduce that by 85,233,537 = 883,755,183. The grant will be calculated as the amount of City tax paid on \$883,755,183 value. In no event for tax years 2014 through 2021 will the net ad valorem personal property tax paid by Aviall be less than the net ad valorem personal property tax paid by Aviall in 2013, and the net taxes paid by Aviall shall increase 3.5% per year through 2021.

However, should Aviall fail to pay City business personal property taxes for any year, City shall not make any payment to Aviall that year. Further, should Aviall, or its affiliate or successor permitted under Article VI fail, in any year, to retain its principal office/warehouse and inventory in the City for a full twelve months or meet each of the other elements of consideration set forth herein, no grant shall be due to Aviall for that year.

3. Article IV. Records and Audits is hereby amended to add:

C. Aviall covenants and certifies that it does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the TEXAS GOVERNMENT CODE. In accordance with Section 2264.052 of the TEXAS GOVERNMENT CODE, if Aviall is convicted of a violation under 8 U.S.D. Section 1324a(f), Aviall shall repay to the City the full amount of payments made under this Agreement, plus ten percent (10%) per annum from the date the payment was made. Repayment shall be paid within one hundred twenty (120) days after the date Aviall receives notice of violation from the City.

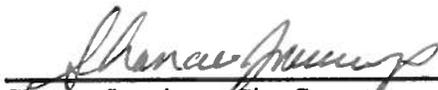
4. This Amendment shall be effective as of the date of its approval by the cities of Fort Worth and Dallas and the execution by both parties.
5. All other terms and conditions of the Agreement, as amended, not hereby amended shall remain the same and in full force and effect.

Executed this 6th day of February, 2014.

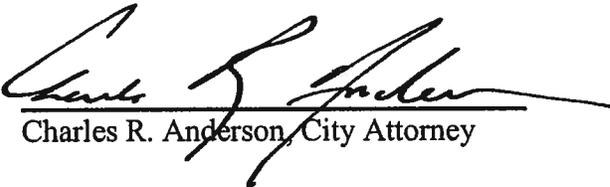
CITY OF IRVING, TEXAS

By: 
Mayor Beth Van Duyne

ATTEST:

By: 
Shanae Jennings, City Secretary

APPROVED AS TO FORM

By: 
Charles R. Anderson, City Attorney

Approved <u>2-6-2014</u>
Resolution # <u>2014-32</u>

AVIALL SERVICES, INC.:

By: _____