

# ORANGE ECONOMIC DEVELOPMENT CORPORATION AGENDA

Orange Public Library Auditorium  
220 N. Fifth Street  
Orange, Texas

August 25, 2015  
5:00 P.M.

1. **CALL TO ORDER** President Mortimer
2. **MOTION**
  - a) Motion finding that the advance posting and notice requirements of Article 8.1200 of the Code of Ordinances of the City of Orange, Texas have been met in relation to all minutes and pending resolutions on this agenda and that the reading of such items be confined to the caption of the resolutions. 1 Directors
3. **APPROVAL OF MINUTES**
  - a) July 28, 2015 Economic Development Corporation Meeting 2 Directors
  - b) August 11, 2015 Joint Meeting of Orange City Council and Economic Development Corporation 5 Directors
4. **PUBLIC HEARING**
  - a) Conduct a public hearing for the purpose of receiving comments regarding the upsizing to a 12" waterline extension along State Highway 62, Orange, Texas in an amount not to exceed \$48,000.00 for the purpose of economic development. 13 Staff: Trahan
5. **RESOLUTION**
  - a) Consider a resolution authorizing the President of the Orange Economic Development Corporation to execute a Performance Agreement between the Orange Economic Development Corporation and International Paper Company to promote new or expanded business development within the City of Orange, Texas. 14 Staff: Culpepper
6. **DISCUSSION/ACTION**
  - a) Consider a motion approving the adoption of the Orange Economic Development Corporation Fiscal Year 2016 Budget. 42 Staff: English
7. **REPORTS FROM DIRECTORS** Directors
8. **ADJOURNMENT**

STATE OF TEXAS }

July 28, 2015

COUNTY OF ORANGE }

**BE IT REMEMBERED THAT** a meeting of the Orange Economic Development Corporation of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, July 28, 2015.

<b>EDC MEMBERS PRESENT:</b>	George Mortimer Dean Granger David Meaux Jimmy Sims Mary McKenna	President Vice-President Secretary Director Director
<b>DIRECTORS ABSENT:</b>	Ebb Moore Larry Spears Jr.	Secretary Director
<b>COUNCIL MEMBERS PRESENT:</b>	Patrick A. Pullen Dr. Wayne Guidry Essie Bellfield Bill Mello	Council Member Council Member Council Member Council Member
<b>COUNCIL MEMBERS ABSENT:</b>	None	
<b>STAFF MEMBERS PRESENT:</b>	Dr. Shawn Oubre Jay Trahan  Jim Wolf Kelvin Knauf  Gail English David Frenzel Lee Anne Brown Rhonda Haskins Patricia Anderson John Cash Smith Andrew Culpepper	City Manager Assistant City Manager, Director of Economic Development Director of Public Works Director of Planning & Community Development Director of Finance Fire Chief Deputy Fire Chief City Secretary Deputy City Secretary City Attorney City Attorney

President Mortimer called the meeting to order at 5:00 P.M.

**MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE**

**BEEN MET IN RELATION TO ALL MINUTES AND PENDING RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTION OF THE RESOLUTIONS**

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Director Sims moved to approve the motion. Second to the motion was made by Director McKenna which carried unanimously.

**APPROVAL OF MINUTES**

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Secretary Meaux moved to approve the minutes of the June 23, 2015 Orange Economic Development Corporation Meeting. Second to the motion was made by Vice-President Granger which carried unanimously.

Director Sims moved to approve the minutes of the June 24, 2015 Orange Economic Development Corporation Meeting. Second to the motion was made by Director McKenna which carried unanimously.

Vice-President Granger moved to approve the minutes of the July 14, 2015 Joint Meeting of the Orange City Council and the Orange Economic Development Corporation Meeting. Second to the motion was made by Secretary Meaux which carried unanimously.

**DISCUSSION/ACTION**

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MOTION OF INTENT TO EXPEND FUNDS NOT TO EXCEED \$48,000.00 FOR THE UPSIZING TO A 12" WATERLINE FOR THE WATERLINE EXTENSION ALONG STATE HIGHWAY 62. THE UPSIZING TO A 12" WATERLINE WILL ENSURE ADEQUATE FIRE PROTECTION WHEN REQUIRED IN THE FUTURE AND TO PROMOTE NEW OR EXPANDED BUSINESS DEVELOPMENT.

Vice-President Granger moved to approve the motion. Second to the motion was made by Secretary Meaux which carried unanimously.

MOTION ACKNOWLEDGING RECEIPT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION FINANCIAL REPORT FOR THE QUARTER ENDING JUNE 30, 2015.

Director Sims moved to approve the motion. Second to the motion was made by Director McKenna which carried unanimously.

MOTION ACKNOWLEDGING RECEIPT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION INVESTMENT REPORT FOR THE QUARTER ENDING JUNE 30, 2015.

Vice-President Granger moved to approve the motion. Second to the motion was made by Secretary Meaux which carried unanimously.

MOTION AMENDING THE ORANGE ECONOMIC DEVELOPMENT CORPORATION BUDGET FOR FISCAL YEAR 2015.

Director Sims moved to approve the motion. Second to the motion was made by Vice-President Granger which carried unanimously.

**REPORTS FROM DIRECTORS**

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No reports were given.

**ADJOURNMENT**

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There being no further business before the Corporation, Director Sims moved to adjourn the meeting. Second to the motion was made by Secretary Meaux which carried unanimously.

The meeting adjourned at 5:19 P.M.

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George Mortimer, President

**ATTEST:**

\_\_\_\_\_  
David Meaux, Secretary

STATE OF TEXAS }  
COUNTY OF ORANGE }

August 11, 2015

**BE IT REMEMBERED THAT** a Joint Meeting of the Orange City Council and the Orange Economic Development Corporation of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, August 11, 2015.

**COUNCIL MEMBERS PRESENT:**

Jimmy Sims	Mayor
Mary McKenna	Mayor Pro Tem
Patrick A. Pullen	Council Member
Dr. Wayne Guidry	Council Member
Essie Bellfield	Council Member
Bill Mello	Council Member
Larry Spears Jr.	Council Member

**COUNCIL MEMBERS ABSENT:** None

**EDC MEMBERS PRESENT:**

Dean Granger	Vice-President
David Meaux	Secretary
Jimmy Sims	Director
Mary McKenna	Director
Larry Spears Jr.	Director

**DIRECTORS ABSENT:**

George Mortimer	President
Ebb Moore	Treasurer

**STAFF MEMBERS PRESENT:**

Dr. Shawn Oubre	City Manager
Jay Trahan	Assistant City Manager, Director of Economic Development
Rhonda Haskins	City Secretary
Patricia Anderson	Deputy City Secretary
Lane Martin	Chief of Police
David Frenzel	Fire Chief
Jim Wolf	Director of Public Works
Gail English	Director of Finance
Kelvin Knau	Director of Planning and C o m m u n i t y Development
Brenna Manasco	Library Director
Mike Zeto	CIS Manager
Sandy Wilson	Grants Planner
Michael Patterson	Engineering Tech
Andrew Culpepper	City Attorney

**STAFF MEMBERS ABSENT:** None

Mayor Sims called the meeting to order at 9:00 A.M.

Council Member Guidry led the Invocation and the Pledge of Allegiance.

**MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE BEEN MET IN RELATION TO ALL MINUTES AND PENDING ORDINANCES AND RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTION OF THE ORDINANCES AND RESOLUTIONS.**

Council Member Bellfield moved to approve the motion. Second to the motion was made by Council Member Pullen which carried unanimously.

## **PRESENTATION**

GRIFFITH MOSELY JOHNSON & ASSOCIATES, INC., (“GMJ”) WILL MAKE A PRESENTATION CONCERNING PROFESSIONAL CONSULTING SERVICES TO ASSIST THE CITY OF ORANGE IN ITS ECONOMIC DEVELOPMENT EFFORTS, PARTICULARLY AS IT RELATES TO PURSUIT OF INDUSTRIAL DEVELOPMENT IN THE CITY AND ITS EXTRATERRITORIAL JURISDICTION (“ETJ”) AND IN THE CITY’S EFFORT TO ATTRACT RETAIL AND COMMERCIAL DEVELOPMENT.

Mr. Trahan advised Griffith Mosely & Johnson & Associates is here to present an overview of economic development consulting services for partnership with the City.

John Johnson, Vice President and General Counsel, introduced Carl Griffith, President and CEO, Jeff Moseley, Executive Vice President and Doneane Beckcom, JD, Consultant. He presented a Power Point presentation on an overview of Economic Development Consulting Services to the City Council and the Orange Economic Development Corporation. A copy of this presentation is included in and being made a part of these minutes.

Mr. Johnson gave a brief history of GMJ’s achievements. He briefed the Council and EDC on the firms practice areas; Economic Development, Site Selection, Business Development, Environmental Affairs, Government Affairs, Criminal Justice, Grants and Emergency Management. He advised of the firms economic development successes.

Mr. Johnson feels strategic planning is critical for successes. He advised their firm proactively pursues new investment (individual, commercial retail and residential).

Judge Griffith feels most of the undeveloped land is in Orange County. Orange is in a great location. The firm has two developers it works with.

Council Member Spears asked if City of Orange citizens be hired in new expansions. Judge Griffith advised that can be tied to an incentive package or program.

Council Member Pullen asked if there are any interests in Orange at the present time. Judge Griffith advised there is a corporation interested in expansion projects.

Council Member Guidry asked if the firm has a five year vision for the City of Orange. Judge Griffith advised he feels the tax base can be increased by \$3 billion, which will increase jobs and expansions.

Mr. Trahan advised a structured proposal will be brought back to Council and the EDC at a later date.

**DISCUSSION/ACTION**

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MOTION ACKNOWLEDGING RECEIPT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION'S PROPOSED BUDGET FOR FISCAL YEAR 2016.

Council Member Spears moved to approve the motion. Second to the motion was made by Vice-President Granger which carried unanimously.

**ADJOURN THE ECONOMIC DEVELOPMENT CORPORATION**

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There being no further business before the Corporation, Director Sims moved to adjourn the meeting which carried unanimously.

The meeting adjourned at 9:50 A.M.

**APPROVAL OF MINUTES**

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Council Member Pullen moved to approve the minutes of the July 28, 2015 Regular Meeting of the City Council. Second to the motion was made by Council Member Guidry which carried unanimously.

**CITIZEN COMMENTS**

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Joe Parkhurst, 6555 Sagebrush Road, advised he is representing OCESD #3. OCESD #3 is asking Council to reconsider the annexation of International Paper Company. OCESD #3 will lose 50% if its income if the City annexes International Paper Company. Ninety percent (90%) of its calls are medical calls. If the annexation goes through it will crush OCESD #3.

**PUBLIC HEARING**

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CONDUCT A PUBLIC HEARING TO RECEIVE CITIZEN COMMENTS ON THE CITY'S PROPOSED USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN ITS ANNUAL ACTION PLAN. THIS PLAN IS FOR YEAR 2 OF THE FIVE YEAR CONSOLIDATED PLAN. IF

APPROVED BY THE U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, THIS PLAN WILL BEGIN OCTOBER 1, 2015 AND END SEPTEMBER 30, 2016.

The public hearing began at 9:55 A.M.

There were no citizen comments.

The public hearing ended at 9:55 A.M.

**RESOLUTION**

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RESOLUTION AUTHORIZING AND DIRECTING CITY MANAGER, SHAWN OUBRE, TO SUBMIT ON BEHALF OF THE CITY OF ORANGE THE YEAR 2 ANNUAL ACTION PLAN OF THE CITY'S FIVE YEAR CONSOLIDATED PLAN TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Council Member Spears moved to approve the resolution. Second to the motion was made by Council Member Guidry which carried with Mayor Sims, Council Member Pullen, Council Member Guidry, Council Member Bellfield, Council Member Mello and Council Member Spears voting aye. Mayor Pro Tem McKenna recused herself from any discussion and action on this item.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-65.

**ORDINANCE**

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FINAL READING:

ORDINANCE GRANTING A PETITION FOR THE VOLUNTARY ANNEXATION OF A 30 FOOT PRIVATE ROAD RIGHT OF WAY OWNED BY INTERNATIONAL PAPER COMPANY; PROVIDING FOR THE ANNEXATION OF SAID TRACT; APPROVING AND ADOPTING A SERVICE PLAN FOR ANNEXED TERRITORY; AND PROVIDING FOR SEVERABILITY, REPEALER, PROPER NOTICE AND MEETING, AND AN EFFECTIVE DATE.

Council Member Pullen moved to approve the ordinance. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

A copy of this ordinance is being made a part of these minutes as Ordinance Number 2015-12.

**RESOLUTIONS**

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FIRST READING:

RESOLUTION ADOPTING AN ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE INVOLVING INTERNATIONAL

PAPER COMPANY TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN ORANGE COUNTY, TEXAS.

Mayor Pro Tem McKenna moved to approve the resolution. Second to the motion was made by Council Member Pullen which carried unanimously.

FIRST READING:

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT BETWEEN THE CITY OF ORANGE, TEXAS AND INTERNATIONAL PAPER COMPANY TO PROMOTE ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITY WITHIN THE CITY.

Council Member Mello moved to approve the resolution. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

**ORDINANCE**

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FIRST READING:

ORDINANCE AMENDING THE ADOPTED BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING ON SEPTEMBER 30, 2015 IN ACCORDANCE WITH THE CHARTER OF THE CITY OF ORANGE, TEXAS.

Council Member Guidry moved to approve the ordinance. Second to the motion was made by Council Member Mello which carried unanimously.

**RESOLUTIONS**

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RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE SOUTH EAST TEXAS REGIONAL PLANNING COMMISSION 9-1-1 EMERGENCY COMMUNICATIONS RELATING TO THE PLANNING, DEVELOPMENT, OPERATION AND PROVISION OF 9-1-1 SERVICE AND THE USE OF 9-1-1 FUNDS.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-66.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SCHAUMBURG & POLK, INC. IN THE AMOUNT OF \$157,500.00 FOR PROFESSIONAL ENGINEERING SERVICES FOR THE WASTE WATER TREATMENT PLANT IMPROVEMENTS PHASE 2A & 2B AND LINK STREET AND MEEKS TANK IMPROVEMENTS CONSTRUCTION PHASE.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-67.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SCHAUMBURG & POLK, INC. IN THE AMOUNT OF \$36,900.00 FOR PROFESSIONAL ENGINEERING SERVICES FOR THE DESIGN OF THE WASTE WATER TREATMENT PLANT IMPROVEMENTS - PHASE III.

Council Member Pullen moved to approve the resolution. Second to the motion was made by Council Member Guidry which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-68.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SCHAUMBURG & POLK, INC. IN THE AMOUNT OF \$131,250.00 FOR PROFESSIONAL ENGINEERING SERVICES FOR THE DESIGN OF A PROPOSED NEW GROUNDWATER PRODUCTION PLANT IMPROVEMENTS.

Council Member Mello moved to approve the resolution. Second to the motion was made by Council Member Spears which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-69.

**DISCUSSION/ACTION**

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MOTION ACKNOWLEDGING RECEIPT OF THE CITY OF ORANGE ECONOMIC DEVELOPMENT CORPORATION'S PROPOSED FISCAL YEAR 2016 BUDGET.

Council Member Bellfield moved to approve the motion. Second to the motion was made by Council Member Mello which carried unanimously.

MOTION ACKNOWLEDGING RECEIPT OF THE CERTIFICATION OF THE 2015 ANTICIPATED COLLECTION RATE AND 2014 EXCESS DEBT COLLECTION.

Council Member Bellfield moved to approve the motion. Second to the motion was made by Council Member Guidry which carried unanimously.

MOTION ACKNOWLEDGING RECEIPT OF THE CERTIFIED APPRAISED VALUES AND CORRESPONDING REPORTS FROM ORANGE COUNTY APPRAISAL DISTRICT.

Council Member Bellfield moved to approve the motion. Second to the motion was made by Council Member Mello which carried unanimously.

MOTION ACKNOWLEDGING RECEIPT OF THE 2015 EFFECTIVE AND ROLLBACK RATES AND CORRESPONDING WORKSHEETS.

Council Member Mello moved to approve the motion. Second to the motion was made by Council Member Guidry which carried unanimously.

DISCUSSION AND POSSIBLE ACTION ON TAX RATE. IF PROPOSED TAX RATE WILL EXCEED THE ROLLBACK RATE OR THE EFFECTIVE RATE (WHICHEVER IS LOWER) TAKE RECORD VOTE AND SCHEDULE PUBLIC HEARINGS.

Ms. English advised staff is recommending the tax rate be set at \$0.70000/\$100. This is below the effective tax rate which does not require any public hearings to be held.

It was the consensus of the Council to set the tax rate at \$0.70000/\$100.

**CITY MANAGER REPORT**

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No report was given.

**CITY COUNCIL REPORT**

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Council Member Spears thanked the citizens for attending the Council Meeting.

Council Member Mello advised school will start soon and to watch out for children.

Mayor Pro Tem McKenna advised it is hot outside and to be careful.

Council Member Bellfield advised she is glad to see Judge Griffith and his company coming to Orange.

Council Member Guidry advised West Orange and Little Cypress Schools met attendance accountability and to thank teachers .

Council Member Pullen advised he is excited about GMJ coming to Orange.

**ADJOURNMENT**

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There being no further business before the Council, Council Member Bellfield moved to adjourn the meeting which carried unanimously.

The meeting adjourned at 10:39 A.M.

\_\_\_\_\_  
Jimmy Sims, Mayor

**ATTEST:**

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Rhonda Haskins, City Secretary

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George Mortimer, President

**ATTEST:**

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David Meaux, Secretary

## **NOTICE OF PUBLIC HEARING**

The Orange Economic Development Corporation (EDC) will conduct a public hearing Tuesday, August 25, 2015 at 5:00 p.m. at the Orange Public Library Auditorium, 220 N. Fifth Street, Orange, Texas for the purpose of receiving comments regarding the upsizing to a 12" waterline extension along State Highway 62, Orange, Texas in an amount not to exceed \$48,000.00 for the purpose of economic development.

George Mortimer, President  
Orange Economic Development Corporation

**Legal Ad**  
**Publish - August 19, 2015**

**A RESOLUTION AUTHORIZING THE PRESIDENT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION TO EXECUTE A PERFORMANCE AGREEMENT BETWEEN THE ORANGE ECONOMIC DEVELOPMENT CORPORATION AND INTERNATIONAL PAPER COMPANY TO PROMOTE NEW OR EXPANDED BUSINESS DEVELOPMENT WITHIN THE CITY OF ORANGE, TEXAS.**

**WHEREAS**, Chapters 501 of and 505 of the Texas Local Government Code authorize the Orange Economic Development Corporation to enter into a performance agreement with International Paper Company that satisfies the requirements of those statutes; and

**WHEREAS**, the Board of Directors of the Orange Economic Development Corporation finds that the attached performance agreement with International Paper Company satisfies the requirements of a performance agreement within the meaning of section 501.158 of the Texas Local Government Code; and

**WHEREAS**, the Board of Directors of the Orange Economic Development Corporation finds that the expenditure of Orange Economic Development Corporation funds as described in the attached performance agreement will promote new or expanded business development within the City of Orange, Texas;

**NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Orange Economic Development Corporation that:**

- 1. The foregoing recitals are found to be true and correct and are hereby adopted and incorporated herein by reference.
- 2. The President of the Orange Economic Development Corporation is authorized to execute the attached performance agreement.

**PASSED, APPROVED, and ADOPTED** on this the 25th day of August, 2015.

**ORANGE ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
George Mortimer, President

**ATTEST:**

\_\_\_\_\_  
David Meaux, Secretary

## **CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT**

This Chapter 380 Economic Development Program Agreement (the "Agreement") is made and entered into by and among the City of Orange, Texas, a home-rule city and a political subdivision of the State of Texas (the "City"); the Orange Economic Development Corporation, a Type B Economic Development Corporation (the "EDC"); and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the "Company"), to be effective January 1, 2015 (the "Effective Date").

### **RECITALS**

**WHEREAS**, the Company is the owner of land, improvements and tangible personal property (collectively, "the Property"), located within an area recently annexed by the City and used for the manufacture of industrial packaging (containerboard). The Property owned by the Company and subject to the recent annexation is more particularly described in **Exhibit "A"** attached hereto and incorporated herein for all purposes;

**WHEREAS**, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") authorize the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange;

**WHEREAS**, in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380, the City has adopted Resolution No. \_\_\_\_\_, attached hereto as **Exhibit "B"** and incorporated herein by reference, establishing an economic development program and authorizing the City Manager to enter into this Agreement with the Company in recognition of the positive economic benefits that this Agreement will provide to the City;

**WHEREAS**, the recent annexation of the Company's Property by the City has substantially increased the Company's total ad valorem and sales and use tax liabilities, and the Company is seeking avenues through which to continue operating its containerboard mill in a cost-effective manner;

**WHEREAS**, the City and the EDC recognize a critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company's business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area;

**WHEREAS**, the Company also desires to invest eighty million dollars (\$80,000,000.00) for the upgrade and improvement of equipment located at the containerboard mill on the Property as determined by the Company, including, but not limited to, boilers, digesters, paper machines, the turbine generator, and certain equipment at the pulp mill by December 31, 2018 (the "Project");

**WHEREAS**, the City and the EDC have concluded and hereby find that this Agreement promotes economic development in the City of Orange and, as such, meets the requirements under

Chapter 380 and the City's economic development program, and, further, is in the best interests of the City, the EDC, and Company;

**WHEREAS**, the City and the EDC recognize the positive economic impact that the Company's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, and the attraction of new businesses to the City;

**WHEREAS**, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Chapter 380 and other law, the Company has agreed to comply with certain conditions for receiving those benefits relating to the Company's business operations;

**WHEREAS**, in consideration of the Company's Project, the City desires to grant to the Company the 380 Payment (as defined herein);

**WHEREAS**, consistent with Chapter 380 and other law, the City, the EDC, and the Company, as contemplated in this Agreement, agree to work together to advance the public purposes of developing and diversifying the economy of the state and eliminating unemployment or underemployment in the state;

**WHEREAS**, Chapters 501 and 505 of the Texas Local Government Code authorize the EDC to enter into a Performance Agreement with the Company that satisfies the requirements of the statute;

**WHEREAS**, the Board of Directors of the EDC has found that this Agreement satisfies the requirements of a Performance Agreement within the meaning of section 501.158 of the Texas Local Government Code;

**WHEREAS**, the Board of Directors of the EDC has found that the expenditure of EDC funds as described herein will promote new or expanded business development within the City;

**WHEREAS**, the City, the EDC, and the Company desire to enter into this Agreement for their mutual benefit;

**NOW, THEREFORE:**

### **AGREEMENT**

For and in consideration of the foregoing recitals and of the mutual promises, obligations, covenants and benefits herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, the EDC, and the Company contract and agree as follows:

## ARTICLE I.

### GENERAL TERMS

Section 1.1 Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes as part of this Agreement.

Section 1.2 Definitions and Terms. The terms "Agreement," "Chapter 380," "City," "Company," "EDC," "Effective Date," and "Property" shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

"Agreed Tax Payment" shall mean the amount agreed by the Parties to be the portion of Tax Revenues paid by the Company and retained by the City or the EDC each calendar year under this Agreement, which amount is more particularly set forth in Section 4.2 of this Agreement.

"Initial Payment" shall mean the amount agreed by the Parties to be made as a one-time payment by the Company and retained by the City under the Agreement, which amount is more particularly set forth in Section 4.1 of this Agreement.

"Parties" or "Party" shall mean the City, the EDC, and the Company, the parties to this Agreement.

"Project" shall have the meaning as set forth in the recitals of this Agreement.

"380 Payment" shall mean 100% of the City's and the EDC's portion of the Tax Revenues received for the applicable Tax Year, minus the Agreed Tax Payment.

"Tax Revenues" shall mean the total of all taxes and liabilities due to the City or the EDC in relation to the Company's ownership of the Property and its business operations within the City, including but not limited to, ad valorem, personal property, and sales and use taxes, in the applicable Tax Year during the Term of the Agreement. For the purpose of this definition, ad valorem and personal property taxes will be considered due on January 31<sup>st</sup> of the Tax Year following the calendar year for which the ad valorem and personal property taxes are levied, regardless of the date upon which they were paid. This term will also include any new taxes or liabilities created by the City or the EDC in relation to the Company's ownership of the Property and its business operations within the City during the Term of the Agreement.

"Tax Year" shall mean the 365-day period beginning on each February 1<sup>st</sup> and ending January 31<sup>st</sup> of each successive year included in the Term of this Agreement.

## ARTICLE II.

### REPRESENTATIONS

Section 2.1 Representations of the City. The City hereby represents to the Company that as of the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person that has not been obtained.

Section 2.2 Representations of the EDC. The EDC hereby represents to the Company that as of the date hereof:

The EDC is a duly created and existing Type 4B economic development corporation under the laws of the State of Texas.

The EDC has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement, and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the EDC under any agreement or instrument to which the EDC is a party or by which the EDC or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the EDC and, constitutes a legal, valid and binding obligation of the EDC, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the EDC do not require the consent or approval of any person that has not been obtained.

Section 2.3 Representations of the Company. The Company hereby represents to the City and the EDC that as of the date hereof:

The Company is duly authorized and existing and in good standing under the laws of the State of New York, and is qualified to do business in the State of Texas.

The Company has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, and will not, to the best of its knowledge, violate any judgment, order, law or regulation applicable to the Company, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Company under any agreement or instrument to which the Company is a party or by which the Company or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms except to the extent that the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

The execution, delivery and performance of this Agreement by the Company do not require the consent or approval of any person that has not been obtained.

### **ARTICLE III.**

#### **COMMITMENTS/CONDITIONS**

In consideration of the City's and the EDC's agreement to pay the Company the 380 Payment in accordance with the terms, provisions and conditions of this Agreement, the Company agrees to the following, which are not obligations of the Company, but are conditions that must be fulfilled in order to receive the 380 Payment:

Section 3.1 Investment Condition. The Company shall invest eighty million dollars (\$80,000,000.00) for the upgrade and improvement of equipment located at the containerboard mill and pulp mill on the Property, all as specifically and reasonably determined and valued by the Company, including, but not limited to, boilers, digesters, paper machines, and the turbine generator. The Company shall ensure that before or after the Effective Date of this Agreement, the Company has invested eighty million dollars (\$80,000,000.00) in the aggregate, as described above, during the calendar years 2015-2018 (the "Condition Period"). Within thirty (30) days of the end of each calendar year, the Company shall submit to the City documentation as the City may reasonably require detailing the investment made by the Company for each calendar year; provided, however, on or before January 31, 2019, the Company shall satisfy this requirement.

Section 3.2 Employee/Contractor Condition. The Company shall maintain a minimum of 300 employees and contractors, in the aggregate, at the containerboard mill and pulp mill on the Property during the Condition Period as of December 31<sup>st</sup> of each calendar year. Within thirty (30) days of the end of each calendar year, the Company shall submit to the City documentation as the City may reasonably require setting forth the number of employees and contractors maintained at the mill as of December 31<sup>st</sup> of each calendar year; provided, however, on or before January 31, 2019, the Company shall satisfy this requirement.

Section 3.3 Recapture of 380 Payment for Failure to Meet Conditions. In the event the Company fails to meet any one or more of the conditions provided for in this Article III, the Company shall be obligated to repay to the EDC an amount equal to fifty thousand dollars (\$50,000.00) of the 380 Payment (the "Recapture"), within thirty (30) days after the EDC makes demand for same, subject to any and all lawful offsets, settlements, deduction, or credits to which the Company may be entitled. In the event the Company fails to satisfy the conditions set forth in this Article III, for the avoidance of doubt, the EDC's remedy is limited to the Recapture and shall not include disannexation of the Company.

## ARTICLE IV.

### AGREED TAX PAYMENT AND 380 PAYMENT

In consideration of the Company's commitment under Article III hereof, the City and the EDC agree to pay the Company the 380 Payment in accordance with the following:

Section 4.1 Initial Payment. Within thirty (30) days from the date that all Parties (the City, the EDC, and the Company) have executed the 380 Agreement, the Company shall pay to the City an Initial Payment of \$330,362.00 as an agreed upon replacement and substitution for the 2014 Annual Payment that would have been due under the most recent IDA with the City .

Section 4.2 Amount of Agreed Tax Payment. The amount of the Agreed Tax Payment will begin at \$330,362.00 for Tax Year 2015 and will increase every other Tax Year during the Term of the Agreement by an amount that is three and one-half percent (3.5%) greater than the Agreed Tax Payment for the immediately preceding Tax Year; provided, however, that the amount by which the Agreed Tax Payment is increased as provided for herein will be rounded to the nearest whole dollar amount. The amount of Agreed Tax Payment for each Tax Year during the term of this Agreement is more specifically described on Exhibit "C". The Agreed Tax Payment paid by Company pursuant to this 380 Agreement shall be paid by the Company on or before January 31 of the year following the Tax Year on which the Agreed Tax Payment is based.

Section 4.3 Accrual of 380 Payment. The 380 Payment shall accrue each Tax Year upon the City's receipt of the Agreed Tax Payment; provided, however, that in calendar year 2015, the 380 Payment shall accrue upon the City's receipt of the Initial Payment.

Section 4.4 Submission of Data. Within thirty (30) days of the end of each calendar month, the Company shall submit to the City and the EDC a schedule detailing the Tax Revenues for that month. In support of the schedule, the Company shall submit to the City and the EDC the following:

- (a) A copy of all sales tax reports that relate to the Property, including amended reports, filed by the Company with the Texas Comptroller's office for that month showing sales tax collected that relate to the Property;
- (b) Documentation of ad valorem taxes paid by the Company for that month; and

(c) Such other data as the City or the EDC may reasonably require in order to determine the amount of the Tax Revenues.

Section 4.5 Sales Tax Disclosure. The Company agrees to provide documentation necessary to authorize the Texas Comptroller's office to release and disclose to the City the Company's sales tax information relating to the generation of sales and use tax within the Property, including, as necessary, a form in materially the same form as that attached hereto as **Exhibit "D"** ("Sales Tax Disclosure"). The Company will continue upon the City's request to provide Sales Tax Disclosures or other similar documentation in order to identify sales tax dollars generated from the Property until such time as such documentation is no longer needed by the Texas Comptroller of Public Accounts to identify sales tax dollars generated by the Project.

Section 4.6 Payment of 380 Payment. On a quarterly basis (as described on Exhibit "C"), the City and the EDC shall pay that portion of the 380 Payment relating to sales taxes to the Company and received by the City and the EDC the prior quarter; and within thirty (30) days of receipt by the City from the Company of that portion of the 380 Payment relating to ad valorem taxes to the Company. Notwithstanding the foregoing, the City's and the EDC's obligation to pay the Company the 380 Payment is conditioned upon (1) the City receiving Tax Revenues in an amount that exceeds the Agreed Tax Payment, (2) the Company having met all of the conditions provided for in Article III of this Agreement, and (3) the Company being in compliance with all other terms of this Agreement. The obligations of this provision shall survive the termination of this Agreement to the extent any portion of the 380 Payment due and owing to the Company has not yet been paid by the City or the EDC.

The Parties recognize that the Texas Comptroller of Public Accounts, and/or other entities with jurisdiction over all or part of the Tax Revenues, are susceptible to making miscalculations and/or clerical errors with regard to the amount of Tax Revenues owed to the City or the EDC, and that such miscalculations and/or clerical errors could result in the City or the EDC receiving a greater amount of Tax Revenues than it may be legally entitled to receive. Therefore, it is contemplated that during the Term of the Agreement, the Texas Comptroller of Public Accounts, and/or other entities with jurisdiction over all or part of the Tax Revenues, could potentially render a decision that directs the City or the EDC to repay a portion of the Tax Revenues that the City or the EDC may have previously received during the Term of this Agreement. In the event of such a decision, the Company agrees to repay to the City or the EDC, as applicable, such amount of the 380 Payment that the City or the EDC may have previously paid to the Company as is necessary to offset the amount of Tax Revenues that the City or the EDC is required to repay pursuant to any such decision. The Company shall make such payment to the City or the EDC, as applicable, within thirty (30) days of the date that the City or the EDC notifies the Company of such a decision.

## ARTICLE V.

### TERM OF THE AGREEMENT

Section 5.1 Term. This Agreement shall have a term beginning on the Effective Date of January 1, 2015 and ending on December 31, 2030 (the "Term"), unless sooner terminated as provided for herein, including all Tax Years (including any partial year) for which payment is due during the Term of the Agreement. The Agreement may be extended for an additional period or periods by mutual agreement between the City, the EDC, and the Company and/or its assigns or successors.

## ARTICLE VI.

### DEFAULT AND REMEDY

Section 6.1 Default: Failure to Satisfy Conditions. If the City or the EDC fails to perform its obligations hereunder in substantial compliance with this Agreement (other than the financial obligations, which shall be in strict compliance) and, if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given, the Company shall have all rights and remedies to which it is entitled under this Agreement and under all applicable laws.

If the Company fails to satisfy any of its obligations hereunder, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice thereof shall have been given, then the City and the EDC shall have all rights and remedies to which they are entitled under this Agreement and under all applicable laws.

## ARTICLE VII.

### ESCROW

The Parties agree that in the event of any legal challenge to this Agreement, the City shall place any and all funds to which the Company would have a claim under the terms of this Agreement in an interest bearing account, capable of separate identification, during the pendency of the legal challenge. Upon any final decision upholding the enforceability of this Agreement, all amounts in such account, including principal and accrued interest, shall be paid forthwith to the Company. If this Agreement is determined to be invalid or unenforceable, all amounts in such account, including principal and accrued interest, shall be deposited by the City into its General Fund and the Company shall have no further claim thereto, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Parties covenant that none of them will initiate any legal challenge to the validity or enforceability of this Agreement, and the Parties will cooperate in defending the validity or enforceability of this Agreement against any challenge by any third party.

## ARTICLE VIII.

### MISCELLANEOUS

Section 8.1 Severability. If any one or more words, phrases, clauses, sentences, paragraphs, sections, articles, or other parts of this Agreement or the application thereof to any person, firm, corporation, or circumstances shall ever be held by any court of competent

jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrase, clause, sentence, paragraph, section, article of other part of the Agreement will be deemed to be independent of and separable from the remainder of this Agreement and the validity of the remaining parts of this Agreement will not be affected thereby.

Section 8.2 Notice. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and will be considered duly when such notice has been deposited with proper postage prepaid and duly registered or certified, return receipt requested, in a United States post office, addressed to the City, the EDC, or the Company as follows:

International Paper Co 6400 Poplar Avenue Memphis, TN 38197 Attention: VP Containerboard Mills West	City of Orange c/o City Manager P.O. Box 520 Orange, Texas 77630-0522
International Paper Co. 6400 Poplar Avenue Memphis, TN 38197 Attention: Legal-General Counsel Containerboard	Orange Economic Development Corporation c/o Executive Director P.O. Box 520 Orange, Texas 77630-0522
International Paper Co. 1750 Inland Road Orange, TX 77632 Attention: Mill Manager	With Copy To: Smith Law Firm Attention: City Attorney 1006 Green Avenue Orange, Texas 77630

Any such notice or communication shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either Party may change the above address by sending written notice of such change to the other Party in the manner provided above.

Section 8.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City, the EDC, and the Company.

Section 8.4 Binding Effect. This Agreement will inure to the benefit of and be binding upon the City, the EDC, and the Company, and upon the Company's successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "affiliates" located within the Company's annexed

Property, and where reference is made herein to land and property owned by the Company, such reference shall also be include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, controls the Company or is controlled by the Company or is under common control with the Company.

Section 8.5 Assignment. No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Parties hereto.

Section 8.6 Exhibits: Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated. The following Exhibits are included:

- Exhibit A: Property Descriptions
- Exhibit B: City Resolution
- Exhibit C: Tax Payment Schedule
- Exhibit D: Sales Tax Disclosure

Section 8.7 Governing Law and Venue. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

Section 8.8 Entire Agreement. This written Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 8.9 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any Party, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.10 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be

necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

Section 8.11 Undocumented Workers. The Company certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, the Company, is convicted of a violation under 8 U.S.C. § 1324a(f), the Company shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of seven percent (7%), not later than the 120th day after the date the City notifies the Company of the violation.

Section 8.12 No Vested Rights. The Company Agrees that the City's economic development program under Chapter 380 is a discretionary program and that the City has no obligation to extend Chapter 380 payments to the Company. In exchange for receiving Chapter 380 payments, the Company agrees that it has no vested rights under prior regulations and ordinances, and waives any claim to be exempt from applicable current and future provisions of the City Charter, City Code, state or federal laws, except as provided herein or in any other agreement executed by and between the Parties.

Section 8.13 Attorney Fees. Under no circumstances will the Chapter 380 Payments received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or the EDC regarding this Agreement. For purposes of this paragraph, "adversarial proceeding" means any cause of action regarding this Agreement filed by or against the Company in any state or federal court, as well as any state or federal administrative hearing.

[EXECUTION PAGES FOLLOW]

This Agreement is executed in multiple counterparts on behalf of the City on this \_\_\_\_\_ day of \_\_\_\_\_, 2015, on behalf of the EDC on this \_\_\_\_\_ day of \_\_\_\_\_, 2015, and on behalf of the Company this \_\_\_\_ day of \_\_\_\_\_, 2015, to be effective on \_\_\_\_\_, 2015.

CITY OF ORANGE, TEXAS

BY: \_\_\_\_\_  
Shawn Oubre, City Manager

ATTEST:

By \_\_\_\_\_  
City Secretary

APPROVED AS TO FORM:

By \_\_\_\_\_  
City Attorney

ORANGE ECONOMIC DEVELOPMENT  
CORPORATION

By: \_\_\_\_\_  
\_\_\_\_\_, President, Board of Directors

INTERNATIONAL PAPER COMPANY

By: \_\_\_\_\_  
Roman Gallo  
VP Manufacturing– Containerboard West

CITY ACKNOWLEDGEMENT

THE STATE OF TEXAS §

COUNTY OF ORANGE §

Before me, the undersigned notary public, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS



COMPANY ACKNOWLEDGEMENT

THE STATE OF TENNESSEE                   §

COUNTY OF SHELBY                         §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TENNESSEE

Exhibit A:  
LEGAL DESCRIPTION OF PROPERTY

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June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a deed from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;  
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;  
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;  
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;  
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;  
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;  
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;  
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;  
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;  
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;  
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;  
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;  
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;  
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;  
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;  
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;  
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;  
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;  
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;  
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;  
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;  
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;  
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;  
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;  
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;  
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;  
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;  
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;  
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;  
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;  
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;  
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;  
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;  
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;  
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;  
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;  
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;  
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;  
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;  
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;  
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;  
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;  
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;  
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;  
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;  
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;  
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;  
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;  
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;  
  
THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;  
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;  
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;  
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;  
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;  
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;  
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;  
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;  
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;  
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;  
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;  
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;  
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;  
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;  
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;  
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;  
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;  
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;  
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;  
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;  
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;  
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;  
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;  
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;  
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;  
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.

Exhibit B:  
RESOLUTION

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PROGRAM PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN ORANGE COUNTY, TEXAS**

**WHEREAS**, the City of Orange, Texas is a home-rule municipality in the State of Texas, having been duly created and organized under the constitution and laws of Texas; and

**WHEREAS**, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (“Chapter 380”) authorize the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange; and

**WHEREAS**, International Paper Company, a New York corporation, together with its parents, subsidiaries, and affiliates (collectively, the “Company”), is the owner of land, improvements and tangible personal property (collectively, “the Property”), located within an area recently annexed by the City and used for the manufacture of industrial packaging (containerboard); and

**WHEREAS**, the annexation of the Company’s Property by the City will substantially increase the Company’s total ad valorem and sales and use tax liabilities, and the Company is seeking avenues through which to continue operating its containerboard mill in a cost-effective manner; and

**WHEREAS**, the City recognizes a critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company’s business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area; and

**WHEREAS**, the City recognizes the positive economic impact that the Company's business has brought and will continue to bring to the City through development and diversification of the economy, elimination of unemployment and underemployment through the retention of jobs, and the attraction of new businesses to the City;

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

1. Pursuant to Chapter 380 of the Texas Local Government Code and other authority, an Economic Development Program (“Program”) is established and shall be administered pursuant to this resolution regarding the Property.

2. To stimulate business and commercial activity in the City, and pursuant to its Program and lawful authority under Chapter 380, the City Council shall consider economic development projects and agreements for improved development of business and commercial activity on the Property, and further, said development activity may include, but shall not be limited to, the creation or retention of additional payroll or jobs, and capital investment by the Company through the expansion of its warehouse facility and in the upgrade and improvement of equipment located at the containerboard mill on the Property including, but not limited to, boilers, digesters, paper machines, the turbine generator, and certain equipment at the pulp mill.

3. The Program is designed to accomplish, advance, and substantially achieve all public purposes described in this resolution by: (a) stimulating state and local economic development in the City; (b) stimulating, encouraging, and developing business location and commercial activity in the City; (c) promoting or advertising the City; (d) increasing employment and wages in the City; (e) reducing the number of families living in poverty in the City; (f) increasing local tax bases in the City and providing the City with increased funding options for the provision of public services, facilities, and infrastructure; and (g) increasing sales in the City.

4. The City Council, through its lawful discretion and best business judgment, may use or apply any and all components of Chapter 380 or other applicable authority to develop and administer the Program regarding the Property, including: (a) using city employees or funds; (b) accepting contributions, gifts, or other resources; (c) making a loan or grant of public money, or providing the personnel and services of the City; and (d) entering into a Chapter 380 economic development agreement (or multiple agreements).

5. All prior acts of the City, including those of its elected officials, appointed officials, officers, employees, agents, attorneys, and representatives, are hereby ratified, confirmed, and approved regarding this economic development matter (including scheduling) and any related matter.

6. Subject to City Council review and approval, the City Manager is hereby authorized on behalf of the City to enter into a 380 Agreement with the Company that satisfies the requirements of this Program.

**EFFECTIVE DATE.** This RESOLUTION shall be in full force and effect from and after its date of approval.

**APPROVED:** \_\_\_\_\_, 2015.

APPROVED:

\_\_\_\_\_

Jimmy Sims, Mayor

ATTEST:

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Rhonda Haskins, City Secretary

Exhibit C:  
Payment Schedules

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A. Agreed Tax Payment and Initial Payment Schedule

Tax Year	Amount	Due Date
Initial Payment (N/A)	\$330,362.00	*
2015	\$330,362.00	January 31, 2016
2016	\$330,362.00	January 31, 2017
2017	\$341,925.00	January 31, 2018
2018	\$341,925.00	January 31, 2019
2019	\$353,892.00	January 31, 2020
2020	\$353,892.00	January 31, 2021
2021	\$366,278.00	January 31, 2022
2022	\$366,278.00	January 31, 2023
2023	\$379,098.00	January 31, 2024
2024	\$379,098.00	January 31, 2025
2025	\$392,366.00	January 31, 2026
2026	\$392,366.00	January 31, 2027
2027	\$406,099.00	January 31, 2028
2028	\$406,099.00	January 31, 2029
2029	\$420,312.00	January 31, 2030

*\* The Initial Payment shall be due and owing to the City within 30 days from the date that all Parties (the City, the EDC, and the Company) have executed the 380 Agreement.*

B. 380 Payment Schedule

Calendar Year	Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment)	For Tax Proceeds Received on or Before:	Due Date
2015	\$330,362.00 (Initial Payment)		
		July 31, 2015	August 31, 2015
		October 31, 2015	November 30, 2015
2016	\$330,362.00		
		January 31, 2016	February 28, 2016
		April 30, 2016	May 31, 2016
		July 31, 2016	August 31, 2016
		October 31, 2016	November 30, 2016
2017	\$330,362.00		
		January 31, 2017	February 28, 2017
		April 30, 2017	May 31, 2017
		July 31, 2017	August 31, 2017
		October 31, 2017	November 30, 2017
2018	\$341,925.00		
		January 31, 2018	February 28, 2018
		April 30, 2018	May 31, 2018
		July 31, 2018	August 31, 2018
		October 31, 2018	November 30, 2018
2019	\$341,925.00		
		January 31, 2019	February 28, 2019
		April 30, 2019	May 31, 2019
		July 31, 2019	August 31, 2019
		October 31, 2019	November 30, 2019
2020	\$353,892.00		
		January 31, 2020	February 28, 2020
		April 30, 2020	May 31, 2020
		July 31, 2020	August 31, 2020
		October 31, 2020	November 30, 2020
2021	\$353,892.00		
		January 31, 2021	February 28, 2021
		April 30, 2021	May 31, 2021
		July 31, 2021	August 31, 2021
		October 31, 2021	November 30, 2021
2022	\$366,278.00		
		January 31, 2022	February 28, 2022
		April 30, 2022	May 31, 2022
		July 31, 2022	August 31, 2022
		October 31, 2022	November 30, 2022

Calendar Year	Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment)	For Tax Proceeds Received on or Before:	Due Date
2023	\$366,278.00		
		January 31, 2023	February 28, 2023
		April 30, 2023	May 31, 2023
		July 31, 2023	August 31, 2023
		October 31, 2023	November 30, 2023
2024	\$379,098.00		
		January 31, 2024	February 28, 2024
		April 30, 2024	May 31, 2024
		July 31, 2024	August 31, 2024
		October 31, 2024	November 30, 2024
2025	\$379,098.00		
		January 31, 2025	February 28, 2025
		April 30, 2025	May 31, 2025
		July 31, 2025	August 31, 2025
		October 31, 2025	November 30, 2025
2026	\$392,366.00		
		January 31, 2026	February 28, 2026
		April 30, 2026	May 31, 2026
		July 31, 2026	August 31, 2026
		October 31, 2026	November 30, 2026
2027	\$392,366.00		
		January 31, 2027	February 28, 2027
		April 30, 2027	May 31, 2027
		July 31, 2027	August 31, 2027
		October 31, 2027	November 30, 2027
2028	\$406,099.00		
		January 31, 2028	February 28, 2028
		April 30, 2028	May 31, 2028
		July 31, 2028	August 31, 2028
		October 31, 2028	November 30, 2028
2029	\$406,099.00		
		January 31, 2029	February 28, 2029
		April 30, 2029	May 31, 2029
		July 31, 2029	August 31, 2029
		October 31, 2029	November 30, 2029

Calendar Year	Agreed Tax Payment (Amount That City Must Receive In a Single Calendar Year Prior to 380 Payment)	For Tax Proceeds Received on or Before:	Due Date
2030	\$420,312.00		
		January 31, 2030	February 28, 2030
		April 30, 2030	May 31, 2030
		July 31, 2030	August 31, 2030
		October 31, 2030	November 30, 2030
2031	N/A		
		December 31, 2030 (Sales Tax Only)	February 28, 2031

Exhibit D  
FORM: AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL  
TAX INFORMATION

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AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL  
TAX INFORMATION

This agreement is entered into among the City of Orange, Texas (hereafter the "City"), the Orange Economic Development Corporation (hereafter the "EDC"), and \_\_\_\_\_ (business name) \_\_\_\_\_ (hereafter the "Taxpayer") for the purposes indicated herein.

I, \_\_\_\_\_, \_\_\_\_\_ (title), and the duly authorized agent of \_\_\_\_\_ (business name) \_\_\_\_\_, a company doing business at \_\_\_\_\_ (Name and Address of Facility) \_\_\_\_\_ do hereby stipulate and agree as follows:

I hereby authorize the Texas Comptroller's Office to release and disclose any and all Sales and Use tax information relating to the operation of the above referenced taxpayer's business location to the City and the EDC. I understand and agree that this release will be made by the Comptroller's Office to the City and the EDC on an ongoing monthly basis beginning on the date this Agreement is executed. This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Tax Code, or other state law.

The City and the EDC agree that they will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of calculating payments to be made pursuant to a Chapter 380 Economic Development Agreement among the City, the EDC, and Taxpayer dated effective \_\_\_\_\_, 2015 (380 Agreement).

This Agreement will terminate upon the expiration of the 380 Agreement.

This Agreement is entered into in or with regard to property located in Orange, County of Orange, Texas, and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
name  
title  
On Behalf of the "City"

\_\_\_\_\_  
name  
title  
On behalf of the "Taxpayer"

\_\_\_\_\_  
name  
title  
On Behalf of the "EDC"

Texas Taxpayer Identification No. \_\_\_\_\_

# MOTION

Motion approving the adoption of the Orange Economic Development Corporation Fiscal Year 2016 Budget.

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George Mortimer, President

**ATTEST:**

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David Meaux, Secretary

August 25, 2015