

MEMORANDUM

DATE: August 23, 2024
TO: Mayor Lankford and City Council
FROM: Mercy Rushing, City Manager
SUBJECT: Request Addendum by MEDC to Social Network Group, LLC concerning MEDC Grant Incentive of \$200,000.00 time allocation for Hotel Development.

Background information:

On September 15, 2021, Mineola Economic Development Corporation (MEDC) and Social Networks Group, LLC entered into an Economic Incentive Agreement. This agreement included a development grant of \$200,000.00 as part of an incentive package for constructing a National Chain Hotel (Holiday Inn & Suites) in Mineola, Tx. Originally, the agreement stated that the entire \$200,000 would be disbursed following the issuance of a building permit for the hotel construction.

Main information as follows:

MEDC now proposes an amendment to the original agreement to change the allocation of the \$200,000 grant. Instead of a single payment, the funds will be split into two payments:

- **First Payment:** \$100,000 will be provided upon the issuance of a building permit from the City of Mineola.
- **Second Payment:** The remaining \$100,000 will be disbursed following the issuance of a certificate of occupancy for the completed hotel.

This addendum aligns with MEDC's aim to ensure project milestones are met and to manage the risk associated with the project's completion.

Recommendation:

The Board of Directors of MEDC has unanimously voted in favor of this addendum. It is recommended that the City Council approve this addendum to allow MEDC to request Social Networks Group, LLC to accept these amended terms..

FIRST ADDENDUM PERFORMANCE AGREEMENT

COMES NOW, The MINEOLA ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit corporation (MEDC) and SOCIAL NETWORKS GROUP, LLC, herein referred to as the "Parties" and execute this FIRST ADDENDUM TO THE PERFORMANCE AGREEMENT and agree as follows:

WHEREAS, the Parties have previously agreed to and entered into A Performance Agreement dated September 15, 2021; and

WHEREAS, The Parties now desire to amend the aforementioned agreements by way of this FIRST ADDENDUM TO THE PERFORMANCE AGREEMENT

I. Amendment

Number 2 is hereby amended as follows:

- MEDC shall grant NETWORKS \$100,000.00 following the issuance of a building permit from the City of Mineola concerning the construction of the hotel on the Premises. MEDC shall again grant NETWORKS \$100,000 following the issuance of a certificate of occupancy for the completed new National franchise hotel (Holiday Inn Express & Suites).

AGREED TO BY THE MINEOLA ECONOMIC DEVELOPMENT CORP, LLC, MINEOLA, TEXAS AND SOCIAL NETWORKS GROUP, LLC AS INDICATED BELOW.

MINEOLA ECONOMIC DEVELOPMENT CORPORATION (MEDC)

BY: _____

DATE: _____

Mercy Rushing, MEDC EXECUTIVE DIRECTOR

ADDRESS: 300 Greenville Hwy.

Mineola, Texas

ATTEST:

DATE: _____

Cindy Karch, CITY SECRETARY

SOCIAL NETWORKS GROUP, LLC

BY: _____

DATE: _____

AUTHORIZED REPRESENTATIVE

ADDRESS: 6923 Deseo

Irving, Texas 75039

PERFORMANCE AGREEMENT

This Performance Agreement (“Agreement”) is entered into by and between the MINEOLA ECONOMIC DEVELOPMENT CORPORATION, a Texas non-profit corporation (MEDC”), and SOCIAL NETWORKS GROUP, LLC (“NETWORKS”).

WITNESSETH:

WHEREAS, MEDC is a Type-B Economic Development Corporation existing for the purpose of providing incentives to business enterprises that either create and retain primary jobs or promote new or expanded business development which benefit the citizens of the City of Mineola, Texas; and

WHEREAS, the Board of Directors of MEDC has determined that it is in the best interests of Mineola, Texas that financial incentives be offered to NETWORKS in order to promote and enhance its business enterprise located in Mineola, Texas; and

WHEREAS, MEDC finds that the incentives provided herein will promote the construction of NETWORKS’ business enterprise and development of same and provide for the creation and retention of primary jobs.

NOW, THEREFORE, for and in consideration of the covenants, promises and conditions hereinafter contained, MEDC and NETWORKS agree as follows:

1. MEDC will convey a 3.067 acre tract of land to NETWORKS, which is more specifically described in the attached Exhibit “A” (the “Premises”). NETWORKS shall construct and operate a Holiday Inn Express & Suites hotel on the Premises. The conveyance of the Premises shall be accomplished by a Special Warranty Donation Deed and shall be subject to all conditions subsequent and restrictive covenants found within said Deed.
2. MEDC shall grant NETWORKS \$200,000.00 following the issuance of a building permit from the City of Mineola concerning the construction of the hotel on the Premises.

3. NETWORKS hereby warrants and represents to MEDC the following:
- a. NETWORKS is in good standing under the laws of the State of Texas and has all requisite power and authority to carry on the business operations the subject of this Agreement as presently conducted in the State of Texas. It further warrants and represents that it has the authority to enter into and perform, and will perform, the terms of this Agreement.
 - b. NETWORKS has and will maintain all necessary rights, licenses, permits and authority to carry on its business operations where and as presently conducted.
 - c. NETWORKS has duly filed and will hereafter timely file all local, state and federal tax reports and returns required by law to be filed, and all taxes, assessments, fees and other governmental charges, including city, school and county ad valorem taxes, which are due and payable during the Term hereof.
 - d. NETWORKS is aware of the statutory limitations on this grant and the use of funds under Chapters 501 and 505 of the Texas Local Government Code (“Statutory Purposes”), and NETWORKS acknowledges that such funds herein granted shall be utilized solely for purposes authorized under such state law and by the terms of this Agreement and grant. In the event that an audit determines that such funds were not used for Statutory Purposes, NETWORKS agrees to reimburse MEDC for the sums of money granted and spent which were not authorized by law.
 - e. NETWORKS will abide by the restrictive covenants and conditions subsequent contained in the Special Warranty Donation Deed conveying the Premises to NETWORKS.

4. All representations, warranties, covenants and agreements of the parties, as well as any rights and benefits of the parties, pertaining to the transaction contemplated herein shall survive the original execution date of this Agreement.

5. Any notices required to be given hereunder shall be in writing and shall be deemed to be duly given by personally delivering such notice, or by mailing same, postage prepaid, by certified mail, return receipt requested, to the parties at the addresses shown opposite their signatures to this Agreement. Such addresses may be changed by a party only by giving written notice of such change to all other parties in accordance with this paragraph.

6. Neither this Agreement, nor any interest therein, shall be assigned by NETWORKS without the prior written consent of MEDC.

7. This Agreement constitutes the entire agreement of the parties. All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their understandings. This Agreement may not be amended, modified, altered or changed in any respect whatsoever, unless in writing and signed by all parties hereto.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be interpreted in accordance with the laws of the State of Texas.

9. MEDC may, at its sole option, terminate this Agreement for cause in the event that NETWORKS breaches any covenant, agreement, representation or warranty contained in this Agreement and such breach remains uncured for a period of thirty (30) days after such notice. In the event of such default, NETWORKS shall reimburse MEDC all funds paid by MEDC the subject of this Agreement. Additionally, ownership of the Premises conveyed by MEDC to

NETWORKS the subject of this Agreement shall revert from NETWORKS to MEDC. Failure to exercise a right of termination hereunder shall not constitute a waiver of any such right or remedy by MEDC.

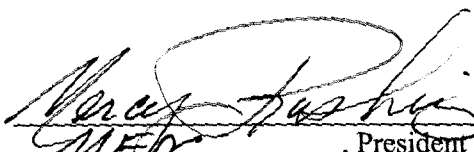
10. Venue for any action regarding any dispute concerning this Agreement or the terms hereof, including a suit by MEDC to recover any monies paid to NETWORKS, shall be in the courts of Wood County, Texas.

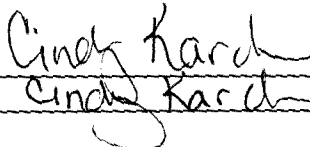
IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date indicated opposite the signature of each.

MINEOLA ECONOMIC
DEVELOPMENT CORPORATION

ADDRESS:
300 Greenville Ave.
Mineola, Texas 75773

DATE:
9/15/2021

BY: 
MERCY RUSHING, President / Executive Director

ATTEST:

Cindy Karch, City Secretary

SOCIAL NETWORKS GROUP, LLC

ADDRESS:
6923 Deseo
Irving, Texas 75039

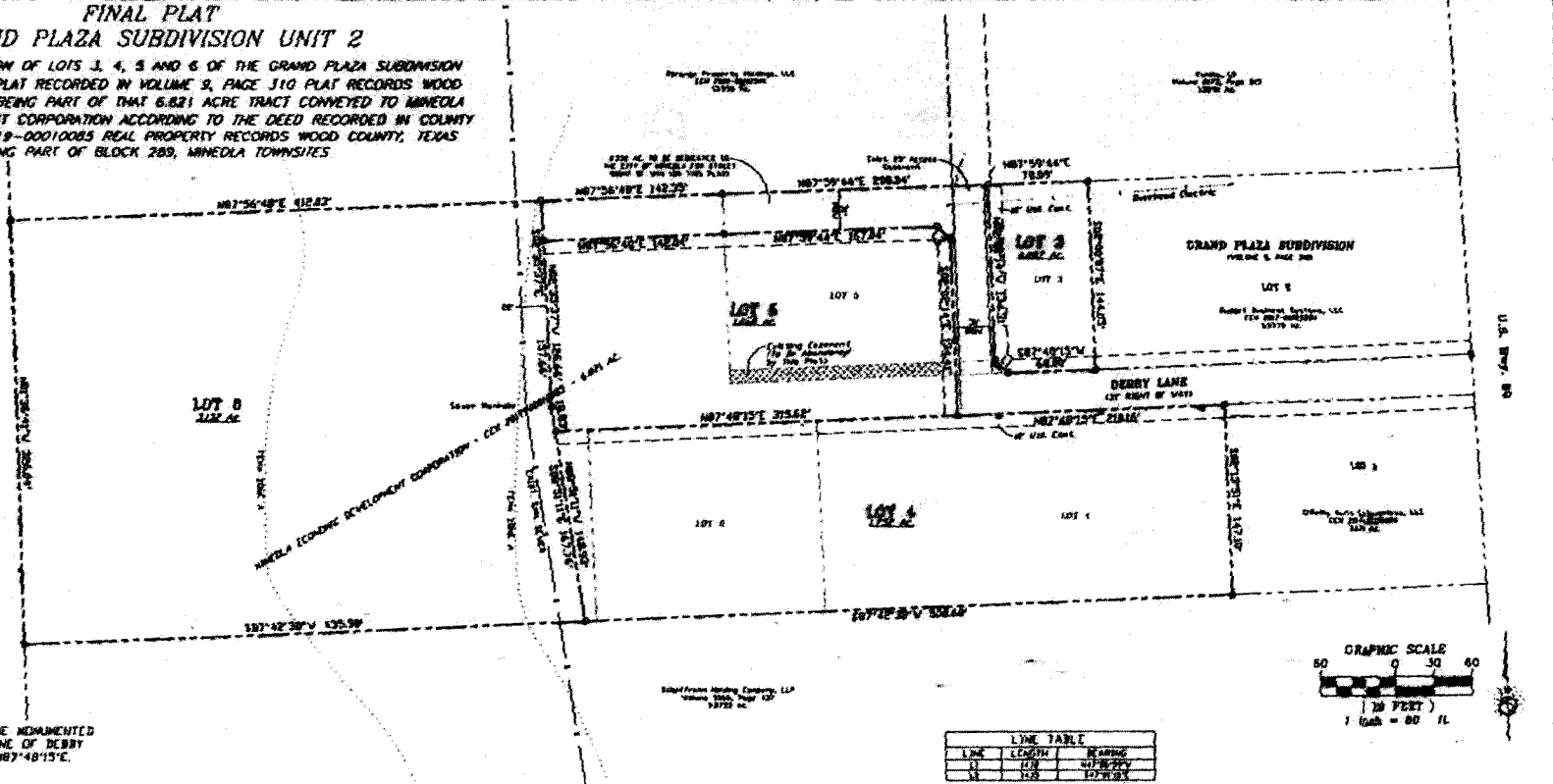
DATE:
9/13/2021

BY: 
SANYAHAT SANYAL, Authorized Representative

Exhibit "A"

FINAL PLAT GRAND PLAZA SUBDIVISION UNIT 2

BEING A RESUBDIVISION OF LOTS 3, 4, 5 AND 6 OF THE GRAND PLAZA SUBDIVISION ACCORDING TO THE PLAT RECORDED IN VOLUME 9, PAGE 310 PLAT RECORDS WOOD COUNTY, TEXAS AND BEING PART OF THAT 6.821 ACRE TRACT CONVEYED TO MINEOLA ECONOMIC DEVELOPMENT CORPORATION ACCORDING TO THE DEED RECORDED IN COUNTY CLERK DOC. NO. 2019-00010085 REAL PROPERTY RECORDS WOOD COUNTY, TEXAS BEING PART OF BLOCK 289, MINEOLA TOWNSITES



LINE	LENGTH	BEARING
1	118	N87°42'30" E
2	118	N87°42'30" E

- LEGEND**
- LOT LINES
 - SURVEY MONUMENT
 - FOUND 1/2" I.R.
 - SET 1/2" I.R. WITH YELLOW CAP STAMPED "HANEY 6082"
 - ✱ LIGHT POLE

BASIS OF BEARING IS THE MONUMENTED NORTH RIGHT OF WAY LINE OF DEBBY LAKE, BEARING N87°40'15" E.

OWNERS CERTIFICATION

THAT WE, THE CITY OF MINEOLA, TEXAS, BEING THE OWNER OF THE PROPERTY SHOWN HEREON DO ACCEPT THIS PLAT AS OUR PLAT FOR GRAND PLAZA SUBDIVISION UNIT 2 AS OUR LEGAL SUBDIVISION. THIS PLAT SHALL BE MADE THEREWITH SUBJECT TO THE RESTRICTIONS AND CONDITIONS RECORDED IN THE TEXAS REAL PROPERTY RECORDS OF WOOD COUNTY, TEXAS, PERTAINING TO SUBDIVISION SHOWN HEREON.

BY: JAYNE LANFORD, MAYOR

BEFORE ME, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS, ON THIS DAY PERSONALLY APPEARED

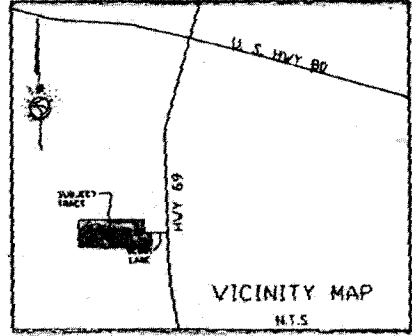
KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME FOR THE PURPOSE AND CONSIDERATION THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS ____ DAY OF ____ 2021.

MY COMMISSION EXPIRES ON ____
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

APPROVED BY THE CITY COUNCIL OF MINEOLA, STATE OF TEXAS, THIS THE ____ DAY OF ____ 2021

BY: JAYNE LANFORD, MAYOR



SURVEYORS CERTIFICATION

I, ROBERT E. HANEY, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6082, DO HEREBY CERTIFY TO THE CITY OF MINEOLA, TEXAS THAT THIS MAP REPRESENTS AN ACTUAL SURVEY MADE BY ME, ON THE GROUND DURING THE MONTH OF FEBRUARY, 2021, AND THAT ALL MARKERS OR MONUMENTS ARE CORRECTLY SHOWN HEREON.



Robert E. Haney

ROBERT E. HANEY, R.P.L.S. NO. 6082

HANEY'S
ENGINEERING & LAND SURVEYING

P.O. BOX 1584
138 GLENROSE DRIVE
HAWKINS, TEXAS

SCALE: 1" = 60'
JOB # MEV224

CALL (903) 363-8852
TWP'S FIRM NO. 10158600

RECORDED IN VOLUME ____ PAGE ____ OF THE PLAT RECORDS OF WOOD COUNTY, TEXAS, THIS THE ____ DAY OF ____ 2021

HANEY'S ENGINEERING AND LAND SURVEYING
TBPELS FIRM NO. 10158600
P.O. BOX 1564
HAWKINS, TX 75765
PHONE 903 363-8852

Field Notes-6.680 Ac.
J. E. White Survey, A-612
Wood County, Texas

Being all of that certain lot, tract or parcel of land situated in the J. E. White Survey, Abstract No. 612, being part of that 6.821 acre tract of land conveyed to Mineola Economic Development Corporation according to the deed recorded in Wood County Clerk Doc. No. 2019-00010085 Real Property Records Wood County, Texas (RPRWCT), including all of Lot 3, Lot 4, Lot 5 and Lot 6 of the Grand Plaza Subdivision according to the Plat recorded in Volume 9, Page 310 Plat Records Wood County, Texas, being part of Block 289, Mineola Townsites, said lot, tract or parcel of land being more particularly described as follows:

Beginning at a found 1/2" iron rod at the southwest corner of said 6.821 acre tract, also being the northwest corner of a 9.8733 acre tract of land conveyed to Scheffrahn Holding Company, LLP according to the deed recorded in Volume 2066, Page 437 RPRWCT;

Thence along the West line of said 6.821 acre tract, North 01 degrees 36 minutes 41 seconds West, a distance of 326.04 feet to a found 1/2" iron rod at the northwest corner of said 6.821 acre tract;

Thence along the North line of said 6.821 acre tract, North 87 degrees 56 minutes 48 seconds East, a distance of 554.38 feet to a found 1/2" iron rod at the northwest corner of said Lot 5;

Thence along the North line of said Lot 5, North 87 degrees 59 minutes 44 seconds East, a distance of 286.13 feet to a found 1/2" iron rod at the northeast corner of said Lot 3;

Thence along the East line of said Lot 3, South 02 degrees 00 minutes 07 seconds East, a distance of 144.05 feet to a found 1/2" iron rod at the southeast corner of said Lot 3, being in the North right of way line of Debby Lane;

Thence along the North right of way line of Debby Lane, North 87 degrees 48 minutes 15 seconds East, a distance of 101.05 feet to a point for corner;

Thence across Debby Lane right of way, South 02 degrees 13 minutes 51 seconds East, at a distance of 31.00 feet pass a found 1/2" iron rod at the northeast corner of said Lot 4, continue along the East line of said Lot 4, a total distance of 178.10 feet to a found 1/2" iron rod at the southeast corner of said Lot 4;

Thence along the South line of said Lot 4 and Lot 6, South 87 degrees 42 minutes 38 seconds East, at a distance of 500.01 feet pass a found 1/2" iron rod at the southwest corner of said Lot 6, continue along the South line of said 6.821 acre tract for a total distance of 944.50 feet to the **POINT OF BEGINNING** and containing 6.680 acres of land.

I, ROBERT E. HANEY, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6082, OF THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THESE FIELD NOTES ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND BY MYSELF.

WITNESSED BY MY HAND AND SEAL THIS THE 2nd DAY OF AUGUST, 2021.

Robert E. Haney

ROBERT E. HANEY, REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 6082

See plat of even date herewith.

