

STATE OF TEXAS       §  
                                     §  
COUNTY OF TARRANT §

### ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (this "**Agreement**") is entered into this 3RD day of OCTOBER, 2022 (the "**Effective Date**") between the City of Watauga, Texas, a Texas municipal corporation, (the "**City**"), and Mr. Froze Margarita Express, LLC, a Texas limited liability company (collectively, "**Developer**"), each acting by and through its duly authorized representatives.

### RECITALS

**WHEREAS**, Developer owns or will acquire certain land located at 5620 Watauga Road, generally situated along the southern side of Watauga Road to the east of Pine Street and the west of Plum Street, consisting of 1.11+/- acres within the City (the "**Property**"), that Developer intends to improve by the construction of the Project described hereinafter; and

**WHEREAS**, the Developer has prepared conceptual plans associated with the development of the Property and will use commercially reasonable efforts to secure sufficient investment and funding to design, construct and operate the Project; and

**WHEREAS**, the attraction of private investment and the diversification of retail and residential product types in the City will promote economic development, stimulate commercial activity, provide additional jobs and residential opportunities for the citizens of the City, generate additional tax revenue, and enhance the tax base and economic vitality of the City; and

**WHEREAS**, the City is authorized by Chapter 380 of the Texas Local Government Code to provide economic development grants to promote local economic development and to stimulate private investment in the City; and

**WHEREAS**, the City has determined that making economic development grants in accordance with this Agreement will further the objectives of the City and will benefit the City and its inhabitants and will promote local economic development and stimulate employment, business, and commercial activity in the City;

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the parties agree as follows:

### ARTICLE 1 Certain Definitions

"Commencement of Construction" shall mean that (i) plans have been prepared and submitted to applicable governmental authorities; and (ii) all necessary permits for the construction on the

Property pursuant to the respective plans have been issued by all applicable governmental authorities.

“Completion of Construction” shall mean the date upon which a certificate of occupancy (temporary or permanent) is issued for the Project.

“Comptroller’s Office” shall mean the Comptroller of Public Accounts of the State of Texas.

“Effective Date” shall mean the last date of execution of this Agreement.

“Event of Bankruptcy or Insolvency” shall mean the dissolution or termination (other than a dissolution or termination by reason of a party merging with an affiliate) of a party’s existence as an on-going business, insolvency, appointment of receiver for any part of a party’s property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.

“Force Majeure” shall mean any delays due to strikes, riots, acts of God, pandemics, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or other cause beyond the control of the party.

“Full-time Equivalent (FTE)” shall mean an employee’s scheduled hours divided by the employer’s hours for a full-time workweek. When an employer has a 40-hour workweek, employees who are scheduled to work 40 hours per week are 1.0 FTEs. Employees scheduled to work 20 hours per week are 0.5 FTEs.

“Grant” shall mean the Grant as defined in Article 2 below and is inclusive of all grants and amounts described in Article 2.

“Infrastructure” means infrastructure necessary to develop the Project including streets and roads, site improvements, water and sewer facilities (other than services and lines on individual lots to mains), and drainage and related improvements, including but not limited to: (1) the design, engineering and construction of streets, roads, on the Property (and related types of improvements) necessary for the Project or for access or improved access to the Property; (2) the design, engineering, construction and installation of water, sewer, grease traps, and drainage utilities on the Property necessary for the development of the Project; and (3) the design, engineering, construction and installation of drainage and related improvements on the Property (e.g. storm sewers, detention ponds, retention ponds, drainage pipes, culverts, over sizing of facilities) necessary for the Project.

“Project” means the development, construction, operation and management of commercial facilities consisting of at least 8,620 square feet commercial and other non-residential facilities on the Property, and all necessary or appropriate improvements to the Property for the facilities, including, but not limited to, parking areas, landscaping, fencing, and fixtures, and infrastructure

necessary to develop, construct and operate the facilities, including but not limited to: (1) the design, engineering and construction of streets, roads, parking areas, drive approaches, utility infrastructure, and drainage facilities on the Property.

“Preliminary site plan” means the preliminary site plan for the Project as attached hereto as Exhibit “A”, and subsequent iterations of the site plan as may be approved by the City in the normal course of the City’s planning process.

## **ARTICLE 2**

### **Economic Development Grant**

**2.1. Grant.** Subject to the terms, covenants and conditions of this Agreement, the City will make an economic development grant to Developer, from lawfully available funds and provided there is no default hereunder, in an amount not to exceed the amounts set forth in this Section.

**2.2** The Grant shall be paid to Developer, or the affiliated entity that owns the Project, under the following terms:

a) **One-time Grant.** The City shall give Developer a grant in the amount and according to the schedule set forth below, and under the following terms and conditions:

1) The City shall provide an economic development incentive reimbursement grant to Developer in the amount not to exceed \$35,000.00 within thirty (30) days of receiving paid receipts from the Developer establishing, to the City’s satisfaction, that Developer has expended funds for approved expenditures for the Project in at least the amount for which reimbursement is sought.

i. Grant monies shall be used to reimburse the following approved expenditures as listed in the Developer’s cost estimate in its 380 Application hereto referenced as “Exhibit C”:

1. Engineering, Landscape, & MEP Design Services;
2. Geo Tech Services;
3. Column Reaction Drawings;
4. Structural Foundation Plans;
5. Site preparation, the installation and construction of on-site utility improvements, and the construction, improvement and/or alteration of on-site buildings and structures for the Project; and
6. Development/Permitting Fees

2) In no event shall Developer be entitled to receive interest on any grants hereunder.

3) As a precondition to the grant to be made hereunder, the Developer must provide documentation of payment of not less than \$35,000.00 for the above

approved expenditures. The foregoing verification shall be in a form required by the City in its sole discretion and in accordance with the City's reimbursement incentive policy and may consist of or include paid invoices.

b) Annual 380 Grants.

- 1) In addition to the one-time grant stated in section 2.2(a), the City shall also give the Developer an annual grant that is intended to be equal to 100% of estimated City ad valorem property taxes (exclusive of business personal property taxes and taxes paid to other taxing jurisdictions) paid by Developer for the Project each tax year under the following terms and conditions:

- i. Annual grants shall be given for a period of five (5) years, in five (5) annual payments.
- ii. The first year in which an annual grant is given shall be 2023, and the final year on which the tax rebate grant is to be paid shall be 2027.
- iii. Grant payments will be made annually and shall not exceed the amounts according to the following schedule:

2023	\$8,555.00
2024	\$9,410.00
2025	\$7,765.00
2026	\$5,695.00
2027	\$3,135.00

- iv. The Developer shall provide to the City, as a precondition to each grant payment to be made hereunder, written verification to the City that the Developer or its successors or assigns, has paid the real property ad valorem taxes on which the grant amount is based.
  - v. The City shall make the Annual 380 Grant payment to the Developer within sixty (60) days after receipt by the City of verification of payment of the ad valorem taxes or the City's receipt of the tax payment, whichever occurs later.
- 2) In addition to the grants described in section 2.2(a) and (b), the City shall also give the Developer an annual grant of City sales taxes (exclusive of paid to other taxing jurisdictions) paid by Developer for the Project under the following terms and conditions:
- i. Annual grants shall be given for a period of five (5) years, in five (5) annual payments.

- ii. The first year in which an annual grant is given shall be 2023, and the final year on which the tax rebate grant is to be paid shall be 2027.
- iii. Grant payments will be made annually according to the following schedule:

2023	100% of 1.25¢	2023	100% of 0.25¢
2024	100% of 1.25¢	2024	100% of 0.25¢
2025	75% of 1.25¢	2025	100% of 0.25¢
2026	50% of 1.25¢	2026	100% of 0.25¢
2027	25% of 1.25¢	2027	100% of 0.25¢

- 3) The City shall make the Annual 380 Grant payment to the Developer within sixty (60) days after receipt by the City of the sales taxes associated with the operation of the Project.

The foregoing Annual 380 Grants may be prepaid in whole or in part by the City without penalty at any time, within the City's sole discretion.

Notwithstanding the characterization of the grant as a commitment to rebate ad valorem taxes or a waiver of fees, the payment of tax proceeds or the nonpayment of fees shall in all events and for all purposes be deemed to be a grant in amounts equal to taxes or fees paid, in accordance with the provisions of Chapter 380 of the Texas Local Government Code and payable from any source of funds lawfully available to the City. The Grant made hereunder shall be paid solely from lawful available funds that have been appropriated by the City. Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any portion of the Grant unless the City appropriates funds to make such payment during the budget year in which the Grant, or applicable portion thereof, is payable.

### ARTICLE 3 Performance Criteria

The obligation of the City to make Grant payments in accordance with the foregoing, and the obligations assumed by Developer as conditions precedent and subsequent to the receipt of said Grant funds, are subject to the following:

#### 3.1. Performance Criteria.

- a) Developer shall obtain and secure appropriate financing (inclusive of the Grants contained herein) to pay for the full design, engineering, development, and construction of the Project (the "**Project Financing**"), and shall demonstrate, to the City's

satisfaction, that appropriate funds or financing have been secured for the Project's full development.

- b) Developer shall diligently pursue the development of the Project, subject to events of Force Majeure. Developer shall apply for all permits required by applicable laws promptly following execution of this Agreement and the Project must receive approval for all development plans (to establish overall site design, phasing, fire circulation, tree mitigation, site design, building articulation, landscaping, lighting and parking), civil engineering plans, and plat, and shall commence construction of the Project diligently after plan and plat approval. All components of the Project and all conduct, construction, and activities associated with the design, development, construction, occupancy and property management of the Project shall be in compliance with all applicable laws and ordinances.
- c) Subject to events of Force Majeure, (1) Developer will use commercially reasonable efforts to achieve Commencement of Construction no later than January 1, 2023, (provided, however, such date for Commencement of Construction will be extended up to but no later than March 1, 2023, so long as Developer continues to use such efforts to begin construction as soon as reasonably feasible), and (2) will achieve Completion of Construction on or before 180 days after Commencement of Construction. City agrees not to unreasonably withhold, condition, or delay the issuance of the certificates of occupancy for the Project or building permits for the Project. Within sixty (60) days after the Effective Date, Developer and City will agree on a development schedule for the Project setting forth critical milestone dates with the goal of Commencement of Construction as soon as reasonably feasible.
- d) Total project costs for the Project (including those costs financed with the Grants contained herein) shall be approximately One Million Five Hundred Thousand Dollars (\$1,500,000.00).
- e) For a period of five (5) years following Completion of Construction, Developer shall not assign, sell or transfer ownership of the Project to an entity that would result in the Project being removed from or being exempt from property taxes. Developer shall not assign the Project to a non-affiliated person or entity without written consent from the City.
- f) For a period of five (5) years following Completion of Construction, the Project shall continuously employ not less than six (6) full-time employees OR six (6) full-time equivalents (FTEs). Developer shall submit to the City quarterly payroll reports for the Project location within thirty (30) days of the completion of the calendar quarter year beginning ninety (90) days after receiving a Certificate of Occupancy.
- g) The Project shall not be used for any other purpose other than those uses permissible under the City's zoning regulations applicable to the Property and shall operate as such continuously.

## **ARTICLE 4**

### **Grant Limitations**

**4.1     Grant Limitations.** Under no circumstances shall the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

## **ARTICLE 5**

### **Events of Default; Events of Termination; Recapture**

**5.1**     This Agreement terminates upon any one of the following:

- a) by mutual written agreement of the parties;
- b) by the City or Developer if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-breaching party (subject to extension if the event is not capable of being cured within such time frame but the party has commenced such cure and is diligently pursuing same);
- c) by the City if Developer or an assignee or successor in interest fails to meet any one or more of the Performance Criteria identified in Article 3 above and such default or breach is not cured within thirty (30) days after written notice thereof by the non-breaching party (subject to extension if the event is not capable of being cured within such time frame but the party has commenced such cure and is diligently pursuing same to completion within thirty (30) days);
- d) by the City if any taxes, fees or charges owed to the City or the County of Tarrant by Developer or an assignee or successor in interest shall have become delinquent and have not been paid within thirty (30) days after notice from the appropriate taxing authority (provided, however, Developer retains the right to timely and properly protest and contest appraised values for ad valorem tax purposes);
- e) by the City if Developer or an assignee or successor in interest suffers an Event of Bankruptcy or Insolvency; or
- f) by the City or by Developer, respectively, if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid or illegal.

**5.2     Recapture.** In the event that this Agreement is terminated under Section 5.1 prior to payment of the full allocation of the Grant, the obligation of the City to fund said Grant (or any remaining portion thereof) shall cease immediately. In the event that this Agreement is terminated by the City based upon Developer or an assignee's or successor in interest's breach or failure to meet the Performance Criteria of Article 3 hereof, the City shall have no obligation to fund the Grant (or waive the fees). In addition, if the cause of termination is a violation by Developer of the Developer's Performance Criteria in Article 3 then if all or any portion of the Grant has been paid

to Developer, or if any fees have been waived, then Developer or its assignee or successor shall immediately upon notice refund all amounts previously paid or waived. However, the City may only exercise such right if the violation of Article 3 have not been cured within thirty (30) days after notice (such period to be extended by Force Majeure and, if such violation is of a nature that it cannot be cured with such period, subject to extension so long as Developer or its assignee or successor has commenced the cure thereof and is diligently pursuing same to completion within thirty (30) days). In the event that the Developer terminates this Agreement, then if all or any portion of the Grant has been paid to Developer, or if any fees have been waived, then Developer or its assignee or successor shall immediately upon notice refund all amounts previously paid or waived.

**5.3     Remedies for City Default.** If the City defaults in the payment of any amount hereunder, Developer releases, waives and holds harmless the City from and against all claims, demands, losses and causes of action.

## **ARTICLE 6**

### **Covenants, Representations, and Warranties**

**6.1     Existence; Authority.**

a)     Developer represents and warrants that it has sufficient legal authority to conduct business in the State of Texas; that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement; and that the person or persons executing this Agreement on its behalf has been duly authorized to do so.

b)     The City represents and warrants that it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Agreement; and that the person or persons executing this Agreement on its behalf has been duly authorized to do so.

**6.2     Limitation of Liability.** The City and its past, present and future officials, officers, employees and agents make no warranties and assume no responsibilities or liabilities to Developer or any third party in connection with the development and improvement of the Project, and Developer hereby holds harmless and waives any and all claims against the City and its officials, officers, employees, agents and representatives for any claims, losses, injury, or damage to persons or property arising from the Project and this Agreement and not caused by the City's negligence or intentional misconduct, subject to the City's sovereign and governmental immunity. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties and neither party shall in any way be deemed an agent of the other. Developer acknowledges and agrees that there shall be no personal recourse to the officials, officers, employees or agents of the City, who shall incur or assume no liability in respect of any claims based upon or relating to this Agreement. Nothing in this Agreement is intended, and nothing herein shall in any way be deemed, to confer or create any rights in any person not a party to this Agreement.



## **ARTICLE 7**

### **Miscellaneous**

**7.1    Recitals.** The recitals in the preamble to this Agreement are hereby incorporated herein as part of this Agreement.

**7.2    Binding Agreement; Assignment.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may be assigned by Developer, and Developer shall have the authority to assign, sell or transfer ownership of the Project or the Property to any person, provided that such assignment, sale or transfer shall only be with the consent of the City, which consent shall not be unreasonably withheld. However, no consent shall be required from the City for an assignment or transfer to an affiliate, parent or subsidiary of Developer, but notice of such assignment or transfer shall be given.

**7.3    Governing Law.** The validity of this Agreement and all of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas, and venue for any action concerning this Agreement shall lie exclusively in the state courts of appropriate jurisdiction in Tarrant County, Texas.

**7.4    Amendment.** This Agreement may be amended only by the mutual written agreement of the parties hereto.

**7.5    Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions hereof, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

**7.6    Notices.** All notices which are required or permitted hereunder must be in writing and shall be deemed to have been given, delivered or made, as the case may be (notwithstanding lack of actual receipt by the addressee): (i) upon actual receipt or refusal by the addressee by hand, telecopier or other electronic transmission; or (ii) three (3) business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid; or (iii) one (1) business day after having been deposited with an expedited, overnight courier service (e.g. U.S. Express Mail or Federal Express) for one-day delivery, addressed to the party to whom notice is intended to be given at the following addresses:

If intended for City, to:

City of Watauga  
7105 Whitley Road  
Watauga, Texas 76148  
Attn: City Manager

With a copy to:

David M. Berman, City Attorney  
Nichols, Jackson, Dillard,  
Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard Street  
Dallas, Texas 75201

If intended for Developer, to:

Mr. Froze Margarita Express, LLC  
Attn: Sam & Celene Lounnarath  
622 Cobblestone Circle  
Mansfield, TX 76063

**7.7 Entire Agreement.** This Agreement is the entire agreement between the parties with respect to the subject matter covered in this Agreement. There is no other oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

**7.8 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

**EXECUTED** in single or multiple originals this the 11<sup>th</sup> day of October, 2022.

CITY OF WATAUGA, TEXAS

  
Joshua Jones, City Manager

ATTEST:

  
City Secretary

MR. FROZE MARGARITA EXPRESS, LLC, LLC

By: 

Sam Lounnarath, its MEMBER/OWNER  
1450 Debbie Lane  
Suite 110  
Arlington, TX 76002

Date: 10.3.2022



### CITY'S ACKNOWLEDGEMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 11 of Oct, 2022, by Joshua Jones, City Manager, City of Watauga, Texas, a home rule municipality on behalf of said municipality.

  
\_\_\_\_\_  
Notary Public, State of Texas


My Commission Expires:  
8-28-2023



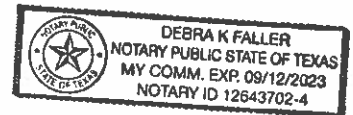
### DEVELOPER'S ACKNOWLEDGEMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 3 of October, 2022, by Sam Loumarath, the member/owner of Mr. Froze Margarita Express, LLC.

  
\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:  
09/12/2023



## **EXHIBIT 'A'**

### **PROPERTY DESCRIPTION**

Being a tract of land consisting of 1.15 +/- acres consisting of land located in the Sara Sawyer Survey, Abstract Number 1424, City of Watauga, Tarrant County, Texas, as described in a General Warranty Deed to Mr. Land, LLC in Instrument Number D220162864, Official Public Records, Tarrant County, Texas (O.P.R.T.C.T.), same being all of that certain tract of land described as Lot 1R, Block 12, Original Town of Watauga (hereinafter referred to as Lot 1R), an addition to the City of Watauga, Tarrant County, Texas, according to the plat recorded in Instrument Number D209225375, O.P.R.T.C.T., same also being all of that certain tract of land described as Lot 7-R, Block 12, Original Town of Watauga (hereinafter referred to as Lot 7-R), an addition to the City of Watauga, Tarrant County, Texas, according to the plat recorded in Instrument Number DI 74029613, O.P.R.T.C.T. and being more particularly described, by metes and bounds, as follows:

**BEGINNING** at a one-half inch iron rod with plastic cap stamped "11JPH LAND SURVEYING" found for the Northwest corner of said Lot 1R, same being the intersection of the existing South right-of-way line of Watauga Road (100' right-of-way), as recorded Volume 6719, Page 1437 and Volume 6721, Page 1230, Deed Records, Tarrant County, Texas (D.R.T.C.T.) with the existing East right-of-way line of Pine Street (60' right-of-way), as recorded in Volume 106, Page 24, Plat Records, Tarrant County, Texas (P.R.T.C.T.);

**THENCE** North 89 degrees 49 minutes 22 seconds East with the common line between said Lot 1R and the existing South right-of-way line of said Watauga Road, a distance of 302.04 feet to a one-half inch iron rod found for the Northeast corner of said Lot 1R, same being the intersection of the existing South right-of-way line of said Watauga Road with the existing West right-of-way line of Plum Street (60' right-of-way), as recorded in Volume 106, Page 25, P.R.T.C.T.;

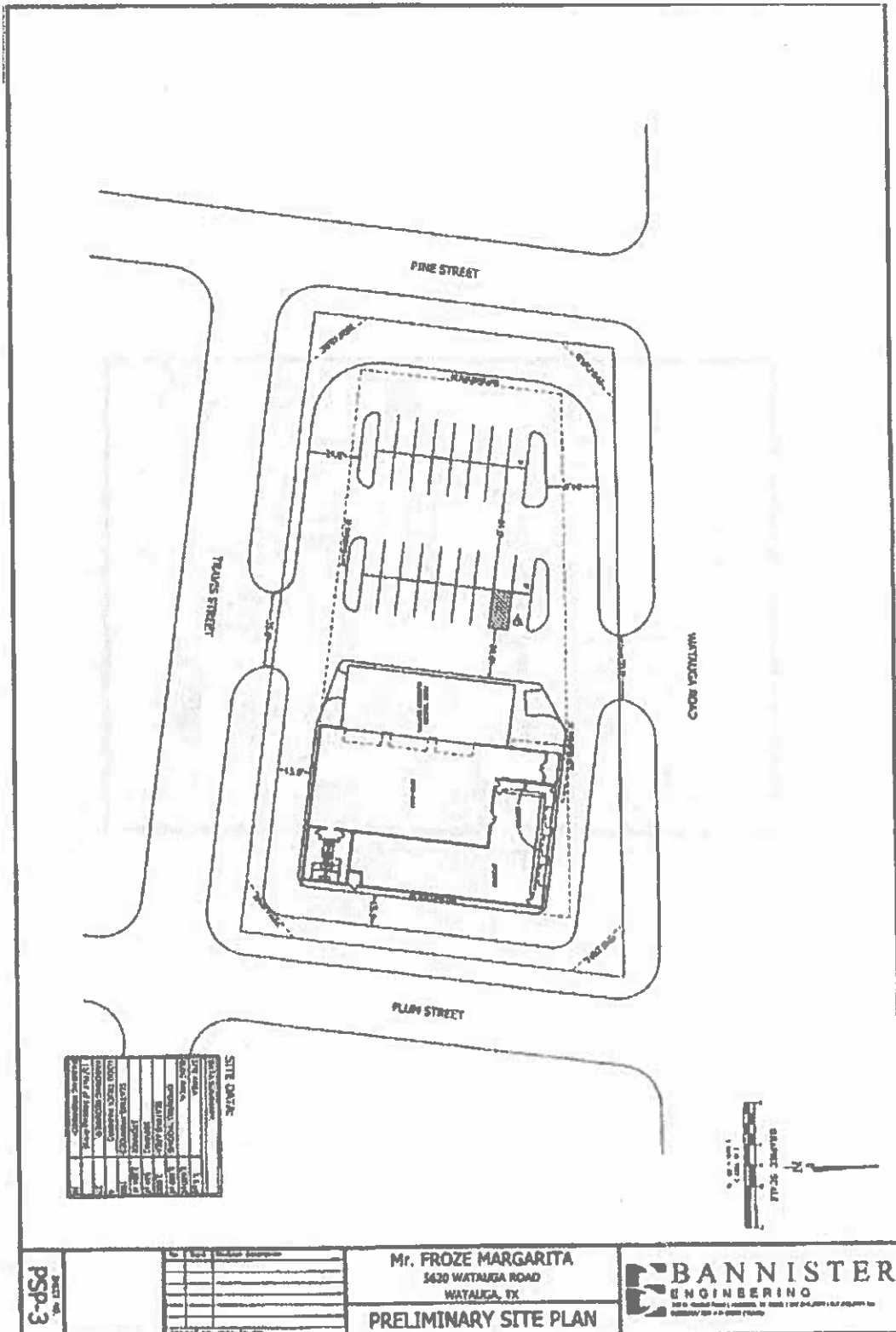
**THENCE** South 07 degrees 18 minutes 09 seconds West with the common line between said Lot 1R and the existing West right-of-way line of said Plum Street, a distance of 181.92 feet to a one-half inch iron rod found for the Southeast corner of said Lot 1R, same being the intersection of the existing West right-of-way line of said Plum Street with the existing North right-of-way line of Travis Street (60' right-of-way), as recorded in Volume 106, Page 25, P.R.T.C.T.;

**THENCE** North 82 degrees 42 minutes 51 seconds West with the common line between said Lot 1R with the existing North right-of-way line of said Travis Street, pass at a distance of 199.68 feet, a five-eighths inch iron rod found at the Southerly Southwest corner of said Lot 1R, same being the Southeast corner of said Lot 7-R, continue with said course, the common line between said Lot 7-R and the existing North right-of-way line of said Travis Street for a total distance of 299.81 feet to a five-eighths inch iron rod with plastic cap stamped "PROLINE SURVEYING" found for the Southwest corner of said Lot 7-R, same being the intersection of the existing North right-of-way line of said Travis Street with the existing East right-of-way line said Pine Street;

**THENCE** North 07 degrees 26 minutes 23 seconds East with the common line between said Lot 7-R and the existing East right-of-way line said Pine Street, pass at a distance of 90.06 feet, one- half inch iron rod found for the Northwest corner of said Lot 7-R, same being the Northerly Southwest corner of said Lot IR and continue with said course, the common line between said Lot IR and the existing East right-of-way line said Pine Street, for a total distance of 142.69 feet to the **PLACE OF BEGINNING**, and containing a calculated area of 1.116 acres (48,629 square feet) of land.

# EXHIBIT "B"

## PRELIMINARY SITE PLAN



**EXHIBIT "C"**

**380 APPLICATION  
(SEE ATTACHED)**

**Joshua Jones**

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**From:** noreply@formstack.com  
**Sent:** Wednesday, September 7, 2022 11:46 AM  
**To:** Business  
**Subject:** Application for 380 Agreement

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



## **Formstack Submission For: Application for 380 Agreement**

**Submitted at 09/07/22 12:46 PM**

**Company Name:** Mr Froze Margarita Express, LLC

**Address:** 1450 Debbie Lane  
Suite 110  
Arlington, TX 76002

**Phone Number:** 6822661577

**Company Contact Name:** Sam Lounnarath

**Contact Address:** 1450 Debbie Lane  
Suite 110  
Arlington, TX 76002

**Contact Phone:** (817) 729-7127

**Contact Fax:**

**Type of Structure:** Corporation

**Total Number New Employees to Start::** 6

**Corporate Annual Sales (In dollars):** 3,500,000



<b>Estimated Local Sales Per Year (in dollars):</b>	<b>1,000,000</b>
<b>Other Job Information:</b>	<b>See attached</b>
<b>Type of facility to be incentivized::</b>	<b>Other: Retail Service</b>
<b>Proposed facility address and legal description:</b>	<b>View File</b>
<b>Described product or service to be provided::</b>	<b>New Building with seating and new indoor children's play area. Food truck rotation and drive-thru. On/off site food and on/off mixed alcohol beverages under TABC BG Permit. Family friendly environment.</b> <b>Hours of business:</b> <b>Mon-Thu: 1:00 p.m. - 10:00 p.m.</b> <b>Fri-Sat: 12:00 p.m. - 11:00 p.m.</b> <b>Sun: 12:00 p.m. - 9:00 p.m.</b>
<b>This application is for...:</b>	<b>New Construction</b>
<b>Please attach a statement, including costs, on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements and fixed equipment for which a 380 Incentive Agreement is requested.:</b>	<b>View File</b>
<b>Part A - Original Investment in Improvements (in dollars)::</b>	<b>1,500,000</b>

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Formstack, 11671 Lantern Road, Suite 300, Fishers, IN 46038



August 24, 2022

Mr. Froze Margarita  
1450 Debbie Lane Suite 110  
Arlington, Texas 76002  
682-266-1577

City Manager  
City of Watauga  
7105 Whitley Road  
Watauga, Texas 76148

Re: Mr. Froze Margarita - Watauga - Application for 380 Agreement

Mr. Froze Margarita - Watauga is excited to introduce a new concept which consists of Mr. Froze's strong reputation as a unique, fun, family friendly venue with the edition of several rotating food trucks.

We are a family-owned business that projects to be open by the 3<sup>rd</sup> quarter of 2022, at the very latest with the assistance of Watauga, if not much more quickly. We will be constructing an exciting indoor playground with an open patio concept for families of Watauga and surrounding residences of other cities to come visit and enjoy the great City of Watauga. This beautiful new building will be constructed from ground zero on 1.4 acres of raw land. The location is 5620 Watauga Road Watauga, Texas 76148. This location will consist of our superior patron care, delicious drinks, fun energetic family vibes & great food options in rotation, as well as our signature drive thru.

The projected overall cost of this new construction building is \$ 1,345,368.00, find below summary of cost breakdown.

- Engineering, Landscape, and MEP Design Services	\$ 30,000.00
- Geo Tech Services (CMU Engineering)	\$ 3,300.00
- Column Reaction Drawings (JAG Metals)	\$ 8,800.00
- Structural Foundation Plans (Millet Engineering)	\$ 5,000.00
- Capital Financing Investment	\$ 13,800.00
- General Contractor & Construction	\$ 1,298,268.60
- Equipment	\$ 98,153.97
- Playground	\$ 45,000.00
- Furniture	\$ 1352.00
- Subtotal Project Cost	\$ 1,503,674.57

Please if you have any questions or concerns, please do not hesitate to contact me at the number listed above.

Thank you,

*Alene Jurnett*  
Member