

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, APPROVING A GRANT APPLICATION FROM SETH MORGAN, REPRESENTING DENTON COUNTY BREWING COMPANY, FROM THE DOWNTOWN REINVESTMENT GRANT PROGRAM NOT TO EXCEED \$25,000; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on April 3, 2007, the City Council approved a Downtown Incentive Reimbursement Program by Ordinance No. 2007-072; and

WHEREAS, on December 6, 2011, the City Council approved changes to the Downtown Reinvestment Grant Program by Ordinance No. 2012-001; and

WHEREAS, Seth Morgan applied for a \$25,000 grant; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council of the City of Denton hereby approves the Agreement attached hereto with from Seth Morgan in an amount not to exceed \$25,000 from the Downtown Incentive Reimbursement Grant Program.

SECTION 2. The City Manager, or his designee, is hereby authorized to execute the Agreement and to carry out the duties and responsibilities of the City, including the expenditure of funds as provided in the Agreement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.


PASSED AND APPROVED this the _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY:  _____

DOWNTOWN REIMBURSEMENT GRANT INCENTIVE AGREEMENT

This Downtown Reinvestment Grant Agreement (the “Agreement”) is entered into by and between the City of Denton, Texas (the “City”), duly acting herein by and through its Mayor, and Seth Morgan, representing Denton County Brewing Company (the “Grantee”), duly authorized to do business and in good standing in the State of Texas, duly acting herein by and through its authorized officer.

WHEREAS, the City has adopted a resolution which provides that it elects to be eligible to participate in downtown reinvestment grant incentives and has adopted guidelines and criteria governing downtown reinvestment grant incentive agreements known as the Denton Downtown Reinvestment Grant Incentive Program; and

WHEREAS, on the 3rd day of April, 2007, the City Council of Denton, Texas (the “City Council”) adopted the Denton Downtown Incentive Reimbursement Program (the “Program”), a copy of which is on file in the City of Denton Economic Development Office and which is incorporated herein by reference; and

WHEREAS, the Denton Downtown Incentive Reimbursement Program Policy constitutes appropriate “guidelines and criteria” governing downtown reinvestment grant incentive agreements to be entered into by the City; and

WHEREAS on October 13, 2011, the Downtown Task Force recommended changes to the original Downtown Incentive Reimbursement Grant Program; and

WHEREAS on November 1, 2011, the Economic Development Partnership Board recommended the changes to the City Council of the City of Denton, including changing the name of the program to “Downtown Reinvestment Grant Program” (the “Program”); and

WHEREAS, on December 6, 2011, the City Council approved said changes to the Downtown Reinvestment Grant Program; and

WHEREAS, the Owner will be the Owner, as of the Effective Date (as hereinafter defined), which status is a condition precedent, of certain real property, more particularly described in Exhibit “A” attached hereto and incorporated herein by reference and made a part of this Agreement for all purposes (the “Premises”) as of the Effective Date; and

WHEREAS, on the 8^h day of January, 2016, Owner submitted an application for reinvestment with various attachments to the City concerning the contemplated use of the Premises (the “Application”), which is attached hereto and incorporated herein by reference as Exhibit “B”; and

WHEREAS, the City Council finds that the contemplated use of the Premises, the Contemplated Improvements (as hereinafter defined) to the Premises as set forth in this Agreement, and the other terms hereof are consistent with encouraging development in accordance with the

purposes and are in compliance with the Ordinance and Program and similar guidelines and criteria adopted by the City and all applicable law;

NOW, THEREFORE, the City and Owner for and in consideration of the premises and the promises contained herein do hereby contract, covenant, and agree as follows:

1.

TERMS AND CONDITIONS OF REIMBURSEMENT

A. In consideration of and subject to the Owner meeting all the terms and conditions of reimbursement set forth herein, the City hereby grants the following reimbursement:

1. A reimbursement in an amount not to exceed \$25,000 attributable to new capital investments, as hereinafter described, being constructed on the Premises.

B. A condition of the Reimbursement is that, by March 21, 2018 (subject to force majeure delays not to exceed 180 days), a capital investment in the form of façade work , as described in Exhibit “B” be constructed on the Premises. For the purposes of this paragraph, the term “force majeure” shall mean any circumstance or any condition beyond the control of Owner, as set forth in Section XXI “Force Majeure” which makes it impossible to meet the above-mentioned thresholds.

C. The term “capital investment” is defined as the construction, renovation and equipping of impact fees, utility upgrades and façade work as described in Exhibit “C” (the “Improvements on the Premises”, the “Contemplated Improvements” or “Improvements”) to include costs related to the construction of the Improvements on the Premises.

D. A condition of the Reimbursement is that the Contemplated Improvements be constructed and the Premises be used substantially in accordance with the description of the project set forth in Exhibit “B”.

E. Owner agrees to comply with all the terms and conditions set forth in this Agreement.

2.

CONDITION OF REIMBURSEMENT

A. At the time of the award of the Grant, all ad valorem real property taxes with respect to said property owned within the City shall be current.

B. Prior to the award of the Grant, Grantee shall have constructed the Capital Improvements as specified in Exhibit “B”.

3.

RECORDS AND EVALUATION OF PROJECT

A. The Owner shall provide access and authorize inspection of the Premises by City employees and allow sufficient inspection of financial information related to construction of the Improvements to insure that the Improvements are made and the thresholds are met according to the specifications and conditions of this Agreement. Such inspections shall be done in a way that will not interfere with Owner's business operations.

4.

GENERAL PROVISIONS

A. The City has determined that it has adopted guidelines and criteria for the Downtown Reinvestment Grant Program agreements for the City to allow it to enter into this Agreement containing the terms set forth herein.

B. The City has determined that procedures followed by the City conform to the requirements of the Code and the Policy, and have been and will be undertaken in coordination with Owner's corporate, public employee, and business relations requirements.

C. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the City Council, any member of the City Planning and Zoning Commission of the City, or any member of the governing body of any taxing units joining in or adopting this Agreement.

D. In the event of any conflict between the City zoning ordinances, or other City ordinances or regulations, and this Agreement, such ordinances or regulations shall control.

5.

NOTICE

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designated in writing, by certified mail postage prepay, by hand delivery or via facsimile:

GRANTEE:

Seth Morgan
Denton County Brewing Company
200 E. McKinney Street
Denton, Texas 76201

CITY:

Todd Hileman, City Manager
City of Denton
215 East McKinney
Denton, Texas 76201
Fax No. 940.349.8596

6.

CITY COUNCIL AUTHORIZATION

This Agreement was authorized by the City Council by passage of an enabling ordinance at its meeting on the 2nd day of December, 2014, authorizing the Mayor to execute this Agreement on behalf of the City, a copy of which is attached hereto and incorporated herein by reference as Exhibit "D".

7.

SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word. In the event that (i) the term of the Grant with respect to any property is longer than allowed by law, or (ii) the Grant applies to a broader classification of property than is allowed by law, then the Grant shall be valid with respect to the classification of property abated hereunder, and the portion of the term, that is allowed by law.

8.

OWNER STANDING

Owner, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same and Owner shall be entitled to intervene in said litigation.

9.

APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas and is fully performable in Denton County, Texas. Venue for any action under this Agreement shall be in Denton County,

10.

ENTIRE AGREEMENT

This instrument with the attached exhibits contains the entire agreement between the parties with respect to the transaction contemplated in this Agreement.

11.

BINDING

This Agreement shall be binding on the parties and the respective successors, assigns, heirs, and legal representatives.

12.
COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.
SECTION AND OTHER HEADINGS

Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.
NO JOINT VENTURE

Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties, and any implication to the contrary is hereby disavowed.

15.
AMENDMENT

This Agreement may be modified by the parties hereto to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement.

16.
FORCE MAJEURE

If, because of flood, fire, explosions, civil disturbances, strikes, war, acts of God, or other causes beyond the control of either Party, either Party is not able to perform any or all of its obligations under this Agreement, then the respective Party's obligations hereunder shall be suspended during such period but for no longer than such period of time when the party is unable to perform.

This Agreement is executed to be effective 30 days after the executed date of the ____ day of _____, 2017, (the "Effective Date") by duly authorized officials of the City and Owner.

PASSED AND APPROVED this the _____ day of _____, 2017.

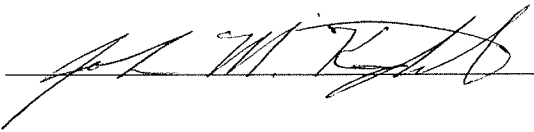
CITY OF DENTON

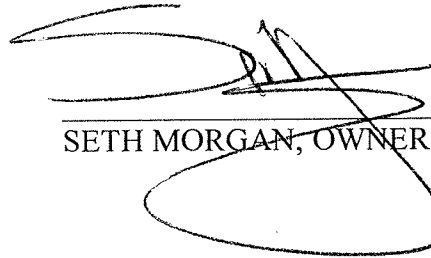
TODD HILEMAN
CITY MANAGER

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY: _____



SETH MORGAN, OWNER

STATE OF TEXAS §
COUNTY OF DENTON §

Before me, the undersigned authority, a Notary Public in and for said State of Texas, on this day personally appeared Todd Hileman, City Manager for the City of Denton, known to me to be the person who signed and executed the foregoing instrument, and acknowledged to me that this instrument was executed for the purposes and consideration therein expressed.

Given under my hand and seal of office this the ____ day of _____, 2017.

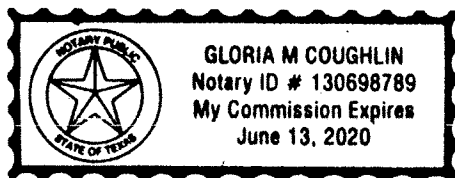
Notary Public in and for the
State of Texas
My Commission Expires: _____

STATE OF TEXAS §
COUNTY OF DENTON §

Before me, the undersigned authority, a Notary Public in and for said State of Texas, on this day personally appeared Seth Morgan, Owner, known to me to be the person who signed and executed the foregoing instrument, and acknowledged to me that this instrument was executed for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 13th day of February, 2017.

Gloria M. Coughlin
Notary Public in and for the
State of Texas
My Commission Expires: 6-13-20



1-8-16

Downtown Reinvestment Grant Program Application

Please return completed with necessary attachments and signature to Economic Development office, 215 E. McKinney no later than 5 pm by the first Monday of each month. If you have any application questions, please contact the Economic Development Program Administrator at 940-349-7732.

Applicant Name	Seth Morgan	Date	1-8-15
Business Name	Denton County Brewing Company		
Mailing Address	200 E. McKinney St. 812 W. Shady Shores Rd. Denton, TX 76208 Shady Shores, TX 76208		
Contact Phone	214-298-5500	Email Address	cheers@dentoncba.com
Building Owner (if different from applicant)	Fred Ryan		
Historical/Current Building Name	Purvis Bearing		
Project Site/Address	200 E. McKinney St Denton, TX 76208		

Type of Work: (check all that apply)

Paint Only

☐

Façade & Building Renovation

☒

Signage

☒

Awnings

☒

Utility Upgrades

☒

Impact Fees

☒

Details of Planned Improvements relating to Grant Request (attach additional information if necessary)

Convert underutilized building into brewpub

Exhibit B

How will this project benefit Downtown?

Rehab building, bring more pedestrian traffic to E. McKinney

Project Expenditures	Estimated Costs	Grant Requested
Façade/Building Rehab	34,048.00	
Awnings		
Signs		
Impact Fees	5,000.00	
Utility Upgrades	158,152.00	
Totals		

TOTAL COST OF PROPOSED PROJECT

\$ 500,000

TOTAL GRANT REQUEST

(May not exceed 50% of TOTAL COST up to \$25,000)

\$

Attach with all required color samples of paint, awning/canopy, sign design, etc., as well as photographs of building's exterior facade, roof and foundation.

Applicant's Signature

Date

1-8-15

DOWNTOWN REINVESTMENT GRANT AGREEMENT FORM

Please complete and return with Downtown Reinvestment Grant Application to Economic Development office, 215 E. McKinney no later than 5 pm by the first Monday of each month. If you have any questions, please contact the Economic Development Program Administrator at 940-349-7732.

I have met with the Economic Development Program Administrator, and I have read and fully understand the Downtown Reinvestment Grant procedures established by the Denton City Council. I intend to use this grant program for the aforementioned renovation projects to advance the efforts of revitalization and historic preservation of Denton's historic downtown. *I have not received, nor will I receive insurance monies for this revitalization project.*

I understand that if I am awarded a Downtown Reinvestment Grant by the City of Denton, any deviation from the approved project may result in the partial or total withdrawal of the grant. (If I am awarded a reinvestment grant for façade, awning or sign work and the façade, sign or awning is altered for any reason within **one (1) year** from construction, I may be required to reimburse the City of Denton immediately for the full amount of the grant.)

Denton County Brewing Company
Business/Organization Name

Applicant's Signature Printed Name Date

Building Owner's Signature (if different from applicant) Printed Name Date

This section is to be completed by Economic Development staff

8-11-2016 \$25,000 [Signature]
Date considered by DTTF Recommendation Staff Signature

Date considered by City Manager Recommendation City Manager Signature

Date considered by EDPB Recommendation Staff Signature

Job Name

	TOTAL SETTING FEET
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3642

TAX RATE 9.50%

TOTAL COST	SELL TOTAL
\$ 493,570.77	\$ 493,577.00

\$	493,570.77	\$	493,577.00
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200 E McKinney St

© 2015 Google

Goog

1995

Imagery Date: 10/2/2014 33°12'58.56" N 97°07'51.87" W elev 637 ft eye

238 E McKinney St



PURVIS INDUSTRIES

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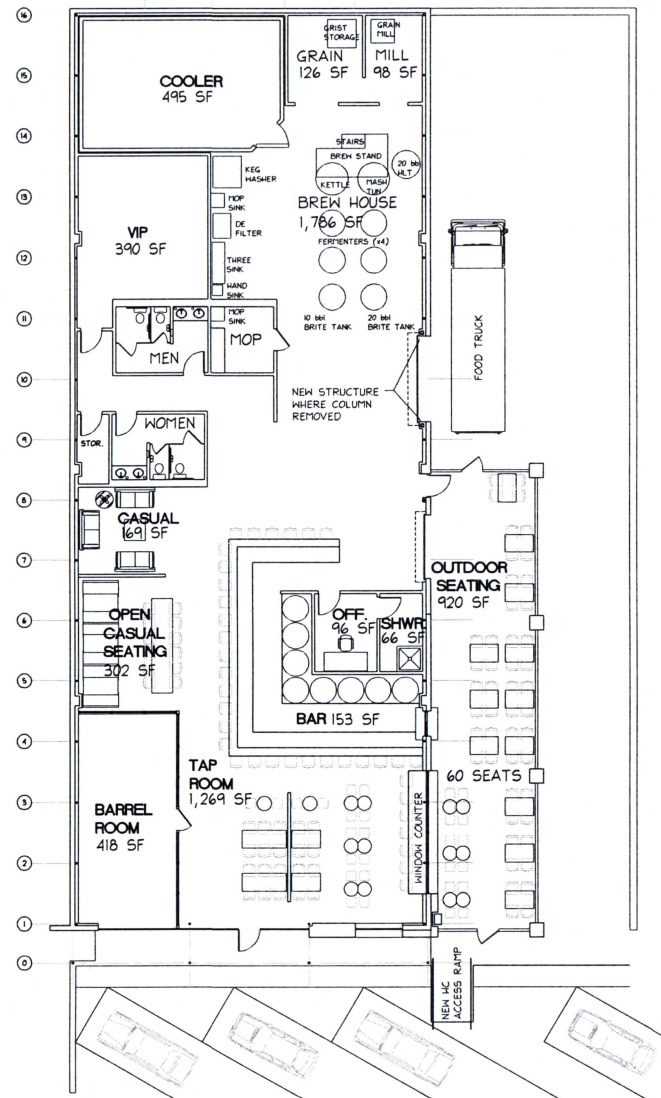
Goog

33°12'59.24" N 97°07'52.25" W elev 646 ft eye





Denton County Brewing Company



200 MCKINNEY STREET - DENTON, TX
JANUARY 08, 2016

PROPOSED SPACE PLAN
SCALE: 1/8"=1'-0"

Licensing underway for second Denton brewery

By Jenna Duncan

Staff Writer

jduncan@dentonrc.com

Published: 28 January 2016 11:02 PM

Denton County Brewing Company will likely be the second fully operational brewery in Denton since it filed paperwork to open with the Texas Alcoholic Beverage Commission.

Seth Morgan, a graduate of the University of North Texas and a longtime Denton resident, has been working to open a brewery for about two years. A home brewer for the past 11 years and a beer fanatic since his time in England in the 1990s, he hopes to open Denton CBC by the end of the year.

"The past 22 years I've been in the financial services industry, but I've been passionate about beer for a really long time," Morgan said. "I've been home brewing for 11 years and totally love it, and finally said, 'I really want to do this.'"

That was in 2014, when he began researching how to make beer on a larger scale. He went to the Craft Brewers Conference in Denver, went to beer school with the American Brewers Guild, and in 2015, started work on business operations.

Things also swung in Morgan's favor when the Denton City Council voted last July to change zoning codes for businesses that brew beer commercially, meaning breweries could come to the heart of downtown.

Once this happened, finding a space got a lot easier. Before the zoning change, only one brewery existed in Denton: Audacity Brew House, which opened in October 2014 on Shady Oaks Drive.

Morgan's company now has space at 200 E. McKinney St., right next to craft beer bottle and growler shop The Bearded Monk, and across the street from Denton City Hall.

Morgan and the architect and designer for the space will meet with city planning officials next Thursday to review their permit applications before filing them to begin construction work on the space.

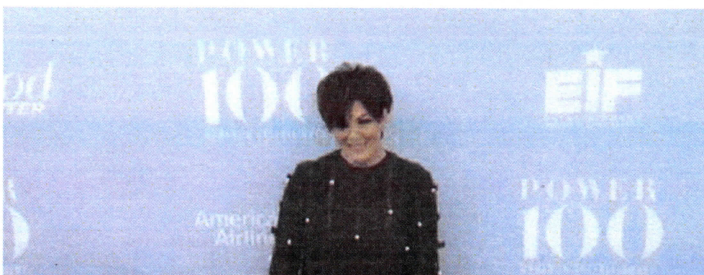
The TABC permit is expected to be approved in August, which means Morgan can then start brewing his home recipes in industrial equipment, which will take a few months. Ideally, the brewery will be open by Christmas, he said.

The brewery will feature a constant selection of staples, as well as rotating taps every few weeks.

Additionally, Morgan said he hopes to host home-brew competitions, where the prize is getting a whole batch made at the brewery and proceeds from the beer's sales going to a local charity.

"I really, really love Denton, and I want to do anything I can to make it a better place," he said. "I want to do anything we can to promote craft beer and really partner with the community and different organizations locally."

JENNA DUNCAN can be reached at 940-566-6889 and via Twitter at @JennaFDuncan.



Kris Jenner Fires Security After Stalker Intrusion!

Kris Jenner's security crew is getting pink slips for Christmas! Yes, momager Jenner is blaming her security team for a Kardashian ...

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