



**Proposed Terms Sheet
TITAN DEVELOPMENT Inc.**

This term sheet sets forth the principal terms for the proposed agreement between Titan Development ("the Company") and the City of New Braunfels ("City") and the New Braunfels Economic Development Corporation ("NBEDC"). No legally binding obligations will be created by this Term Sheet until written definitive agreements are executed and delivered by all parties. This Term Sheet is not inclusive of all possible provisions, conditions, and requirements of any party to the agreement, and does not represent binding final commitments of any party. This is not a commitment to invest any public funds and is conditioned on the final approvals of New Braunfels Economic Development Corporation ("NBEDC") and the City Council of the City of New Braunfels ("City") as well as other entities listed.

Overview

Proposed Project:

TITAN DEVELOPMENT USA LLC ("the Company") is considering constructing 3 new manufacturing facilities for their clients as well as a speculative building in New Braunfels. A total of 612,950 square feet of industrial space will be brought on to the property tax rolls. Titan will spend \$67,700,000 million for site and leasehold improvements.

Summary of Incentives Offered:

Entity	Form of Incentive	Value of Incentive
New Braunfels Economic Development	Cash grant for infrastructure improvements	\$600,000
	Total:	\$600,000



Required Investment:

TITAN DEVELOPMENT will make expenditures for its project in certain phases and at certain points in time as set forth below. These capital investments in its facility and site improvements are completed for the purposes of beginning operations as part of the proposed project. It is proposed that for the purpose of qualifying for incentives, the Company shall meet or exceed these established minimums for Total Taxable Assessed Value.

Total Taxable Assessed Value shall mean the Comal Appraisal District's assessed value on any ad valorem improvements.

TITAN DEVELOPMENT intends to commence operation in New Braunfels according to the following schedule:

First Year Taxable	Total Taxable Assessed Value (2015 dollars)
2019	\$67,700,000

TITAN DEVELOPMENT shall submit to the City a written certification along with supporting documentation by an authorized officer of TITAN DEVELOPMENT confirming that the investment required to satisfy the Total Taxable Assessed Value has occurred.



Proposed Incentives

Cash Grant From NBEDC:

NBEDC will provide a cash grant to Company for the purposes of offsetting the approximately \$1.2 million dollar infrastructure costs associated with the construction of four new industrial use buildings totaling 612,950 square feet. The grants will be performance based, meaning Company will have to show completion of the buildings to the satisfaction of a tenant or the City in order to receive the grant.

Recommended Incentive:

The NBEDC is proposing to reimburse the Company with up to \$600,000 in infrastructure costs associated with the Project. Specifically, the NBEDC will reimburse the Company for costs incurred during the project under the following categories:

- Construction costs of water, wastewater, electric utilities to the site and for the Project; and
- Road construction to access the site and Project; and
- Impact fees, permit charges and other regulatory fees associated with constructing the infrastructure.

Performance Requirements:

In consideration of the grant, the Company agrees to accept a reimbursement from the NBEDC after it:

- Has constructed the improvement and the City and/or utility company has accepted the public improvement; and
- Provides documentation that substantiates the Company's expenditure and payment for the infrastructure improvements; and
- Provides documentation that shows EDC funds will be passed through to reduce either the lease rate or the land cost to an end user; if speculative construction, those savings would be also conveyed to the tenant in a mutual decision by the parties.
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Indemnification:

TITAN DEVELOPMENT will indemnify the City and NBEDC.



Additional Terms and Conditions

Undocumented Workers:

Chapter 2264 of the Texas Government Code requires TITAN DEVELOPMENT to certify that TITAN DEVELOPMENT will agree not to knowingly employ any undocumented workers during the term of the Agreement. If TITAN DEVELOPMENT is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the property tax rebate with six percent (6%) interest, at the rate and according to the other terms provided by an agreement under Section [2264.053](#), not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation. If convicted, TITAN DEVELOPMENT shall repay the amount of all property tax rebates for the year(s) in which the violation occurred.

Assignment:

This Terms Sheet and any subsequent written agreements are non-assignable without the written consent of all parties.

Place of Contract:

New Braunfels, Comal County, Texas

Governing Law:

This Terms Sheet and any subsequent written agreements shall be governed by and subject to the laws of the State of Texas.

No Third Party Rights:

No Third Party Rights are created or arise under this Terms Sheet or any subsequent written agreements.

Authorizing Statute

The City is authorized to undertake this project under Chapter 380 of Texas Local Government Code. The NBEDC is permitted to undertake this project under Texas Local Government Code Chapter 501.101.