

Location: 4900 Sherry St
Property Owner: Williams-Sonoma
 4900 Sherry St
 Arlington TX

About the Project

Williams-Sonoma located its regional distribution facility in Building C of Arlington Commerce Center, occupying 100% of the 182,500 square foot facility. The company invested approximately \$20 million in furniture, fixtures, and equipment, and is expected to hire approximately 300+ employees within 18-24 months. This location allows the company to ship to its Southwest customer base with a one-to two-day drive time, also assisting the company with its delivery on internet sales. In accordance with City policy, Williams-Sonoma Direct, Inc. is not only an identified City targeted industry, but an internationally recognized brand associated with quality that will positively contribute to and enhance the local and regional economy. The existence of Williams-Sonoma's operations will further establish Arlington as a community ideally positioned to serve the logistics industry. Williams-Sonoma is the parent company of Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, West Elm, Rejuvenation, and Williams-Sonoma; products from these various lines will be stored in the Arlington facility.

Goals of the Project

Recruited business activity, job creation, property tax base enhancement

Current Status

This agreement is performing according to standards, and rebates are processed on an annual basis: once for the property tax component, and again for the employment component

Benefit to City

400 jobs created; Approximately \$4.4 million in net revenues over a 10 year period per economic impact analysis

Year Approved by Council	2014
Base Year	2014
Beginning Year	2015 (FY16)
Ending Year	2021 (FY22)
Duration	7 years
Base Year Value	\$ -
Property Tax Account Number(s)	BPP accounts: 14212973, 14240659, 14241442, 14252576
Total Rebate Allowed	65% on FF&E + 50% on taxable inventory
Jobs Grant Duration	FY15 - FY17
Total Estimated Investment by Company	\$ 20,000,000

Criteria Evaluated

Fill the entire 821,500 square foot building with a distribution center no later than June 1, 2014
 Add Business Personal Property (BPP) value of at least \$5m over the Base Year Value by January 1, 2015, and \$10m over Base Year Value by January 1, 2016 and every year thereafter
Property Tax Component
 Do not fail to render any property for taxation
 Always pay ad valorem tax levy on/before the due date each year
 Do not knowingly employ undocumented workers

Jobs Component Number of Arlington residents hired into both General Labor and Management positions

Incentives Allowed

Property Tax Component
 Equivalent of 65% of BPP taxes collected by the City in the previous year on the Added Taxable Value of the Owner's furniture, fixtures and equipment located on the Premises
 Equivalent of 50% of BPP taxes collected by the City in the previous year on the Added Taxable Value of the Owner's taxable inventory located on the Premises

A grant shall be paid each year, beginning in 2015 and ending in 2017 based on the following:
 \$1,000 for every Arlington resident hired and retained during the previous agreement year in a General Labor position
Jobs Component \$2,000 for every Arlington resident hired and retained during the previous agreement year in a Managerial position
 Not to exceed \$100,000
 Agreement year is from June 1 to May 31 for each year; year one begins June 1, 2014 and year three ends May 31, 2017

Year	Appraised Value	Percentage of Total Value Abated	Eligible Value	Rebated Levy	Total Jobs Reported	Average Salary	Rebate as % of Total Tax Liability
2015 (FY16)	33,040,708	48%	15,892,665	60,915	116	\$ 37,440	14%
2016 (FY17)	-	-	-	-	-	-	-
2017 (FY18)	-	-	-	-	-	-	-
2018 (FY19)	-	-	-	-	-	-	-
2019 (FY20)	-	-	-	-	-	-	-
2020 (FY21)	-	-	-	-	-	-	-
2021 (FY22)	-	-	-	-	-	-	-
TOTAL				\$ 60,915			

Total Rebate	
FY15 (Hiring grant only)	12,000
FY16	60,915
FY17	-
FY18	-
FY19	-
FY20	-
FY21	-
FY22	-
TOTAL	72,915

Levy Paid by Taxing Entity

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Total Annual Tax Bill
2015 (FY16)	102,984	41,957	36,219	23,760	224,556	429,475
2016 (FY17)	-	-	-	-	-	-
2017 (FY18)	-	-	-	-	-	-
2018 (FY19)	-	-	-	-	-	-
2019 (FY20)	-	-	-	-	-	-
2020 (FY21)	-	-	-	-	-	-
2021 (FY22)	-	-	-	-	-	-
TOTAL	\$ 102,984.47	\$ 41,956.64	\$ 36,218.91	\$ 23,759.54	\$ 224,555.73	\$ 429,475.29

Arlington Residents hiring grant

	Managerial Positions	General Labor Positions	Rebate for Jobs
FY15	10	1	12,000
FY16			
FY17			
Total (Max is \$100,000):	\$	\$	12,000

Resolution No. 14-108

A resolution authorizing the execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Williams-Sonoma Direct, Inc. and the City of Arlington, Texas relative to the location of Williams-Sonoma's regional distribution facility at 4900 Sherry Street in Arlington, Texas

WHEREAS, on May 21, 2013 City Council approved Ordinance No. 13-018 designating Reinvestment Zone Thirty-Six in the City of Arlington, Texas; and

WHEREAS, CITY has found that providing a program consisting of a grant of funds to Williams-Sonoma Direct, Inc. (hereinafter referred to as "OWNER") in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and,

WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute a Chapter 380 Program Agreement for Economic Development Incentives with OWNER to provide certain economic incentives associated with the regional distribution facility to be located and operated at 4900 Sherry Street in Arlington, Texas.

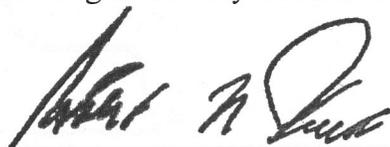
III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

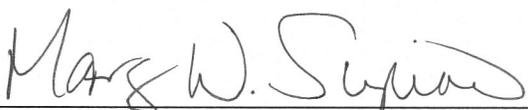
A substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 13 day of May, 2014, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



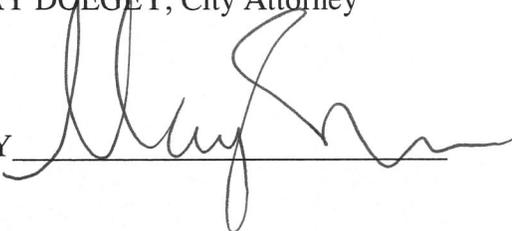
ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

Resolution No. 14-230

A resolution amending Resolution 14-108 to authorize the execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between the City of Arlington, Texas and Williams-Sonoma Direct, Inc., Williams-Sonoma Stores, Inc., Williams-Sonoma DTC, Inc., Williams-Sonoma DTC Texas, Inc., and Sutter Street Manufacturing, Inc., relative to the Williams-Sonoma regional distribution facility to be located and operated at 4900 Sherry Street in Arlington, Texas

WHEREAS, on May 21, 2013 City Council approved Ordinance No. 13-018 designating Reinvestment Zone Thirty-Six in the City of Arlington, Texas; and

WHEREAS, on May 13, 2014 City Council approved Resolution No. 14-108 authorizing the execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Williams-Sonoma Direct, Inc. and the City of Arlington, Texas relative to the location of Williams-Sonoma's regional distribution facility at 4900 Sherry Street in Arlington, Texas; and

WHEREAS, Williams-Sonoma Direct, Inc. has notified the City that Williams-Sonoma Direct, Inc. does not represent all the Williams-Sonoma entities that will have and own product at this location; and

WHEREAS, it is the intention of the Chapter 380 Program Agreement for Economic Development Incentives to provide a business personal property rebate to all Williams-Sonoma entities possessing business personal property at this location; and

WHEREAS, amending Resolution 14-108 to authorize the agreement to be by and between the City of Arlington and Williams-Sonoma Direct, Inc., Williams-Sonoma Stores, Inc., Williams-Sonoma DTC, Inc., Williams-Sonoma DTC Texas, Inc., and Sutter Street Manufacturing, Inc. will remedy this situation; and

WHEREAS, CITY has found that providing a program consisting of a grant of funds to Williams-Sonoma Direct, Inc., Williams-Sonoma Stores, Inc., Williams-Sonoma DTC, Inc., Williams-Sonoma DTC Texas, Inc., and Sutter Street Manufacturing, Inc. (hereinafter referred to collectively as "OWNERS") in exchange for OWNERS' completion of the project proposed by OWNERS will promote local economic development and stimulate

business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and,

WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute a Chapter 380 Program Agreement for Economic Development Incentives with OWNERS to provide certain economic incentives associated with the Williams-Sonoma regional distribution facility to be located and operated at 4900 Sherry Street in Arlington, Texas.

III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

A substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 16 day of September, 2014, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



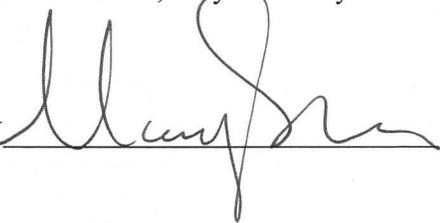
ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

THE STATE OF TEXAS § **CHAPTER 380 PROGRAM AGREEMENT**
 § **FOR ECONOMIC DEVELOPMENT**
COUNTY OF TARRANT § **INCENTIVES**

THIS AGREEMENT is executed by and between **WILLIAMS-SONOMA DIRECT, INC., WILLIAMS-SONOMA STORES, INC., WILLIAMS-SONOMA DTC, INC., WILLIAMS-SONOMA DTC TEXAS, INC., and SUTTER STREET MANUFACTURING, INC.**, entities authorized to do business in Texas (hereafter referred to collectively as “OWNER”), its address being 4900 Sherry Street, Arlington, Texas, and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “CITY”).

WITNESSETH:

WHEREAS, CITY has found that providing a program consisting of a grant of funds to OWNER in exchange for OWNER’S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as “PROGRAM”); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Texas Local Government Code provides statutory authority for establishing and administering the program provided herein;
NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual covenants and promises contained herein, do hereby agree, covenant and contract as set forth below:

I.
Definitions

- A. “Added Taxable Value” is defined as the value of the Eligible Property located on the Premises above the Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- B. “Base Year Value” is defined as the taxable value of the Eligible Property located on the Premises as of January 1, 2014, as determined by the Tarrant Appraisal District, which shall be \$0.00 for purposes of this Agreement.

- C. “Eligible Property” is defined as the taxable Business Personal Property Improvements delivered to, installed or located on the Premises, including: furniture, fixtures, equipment and inventory.
- D. “Full Time Employee” is defined as a permanent, full-time employment position that results in actual paid employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. Employment positions shall include OWNER’S direct employees and related contractors or consultants, so long as the contractor or consultant’s place of work is on the Premises as a result of the Project. It shall not include part-time employment.
- E. “General Labor Position” is defined as a Full Time Employee engaged in general, often manual labor, activities related to the overall operations of the company. This position does not manage other positions.
- F. “Management Position” is defined as a Full Time Employee that is responsible for planning and directing the work of other individuals, or a group of individuals, monitoring their work, and taking corrective action when necessary.
- G. “Premises” are defined as the real property located at 4900 Sherry Street, Arlington, Texas as described in **Exhibit “A”**, as it existed on January 1, 2014.
- H. “Project” is defined as OWNER’S distribution and assembly operations located and operated at 4900 Sherry Street, Arlington, Texas no later than June 1, 2014.

II. **Term**

This Agreement shall be effective as of the date of execution by all parties. This Agreement will terminate on the date CITY makes to OWNER the seventh annual grant payment as detailed in section V.A. below, unless sooner terminated in accordance with this Agreement.

III. **General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.
- C. OWNER agrees to be bound, jointly and severally, to the CITY for the performance of any and all obligations under this Agreement

IV.
Improvement Conditions and Requirements

The payment of the incentives described in section V below is subject to the following conditions:

- A. OWNER shall locate a distribution center that fills the entire 821,500 square foot building located on the Premises by no later than June 1, 2014.
- B. OWNER's location of a distribution center on the Premises must result in Added Taxable Value of at least five million dollars (\$5,000,000) for the tax year beginning January 1, 2015, and ten million dollars (\$10,000,000) for the tax year beginning January 1, 2016 and every year thereafter.
- C. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- D. OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- E. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by section 2264.01(4) of the Texas Government Code. In accordance with section 2265.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. section 1324a(f), OWNER shall repay to the CITY the full amount of the grant payment(s) made under section V of this Agreement, plus 10% per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date OWNER receives notice of violation from the CITY.

V.
Incentives

In exchange for OWNER's completion and compliance with the Conditions and Requirements set forth in section IV above, CITY shall do the following:

- A. On an annual basis, beginning in 2016 and ending in 2022, CITY agrees to pay to OWNER a grant payment calculated as provided below in subsection V.A.1.
 - 1. Each grant payment shall be determined annually based upon the following:
 - a. An amount equal to 65% of the ad valorem taxes collected by CITY in the previous tax year for the Added Taxable Value of the

OWNER's furniture, fixtures and equipment located on the Premises.

- b. An additional amount equal to 50% of the ad valorem taxes collected by CITY in the previous tax year for the Added Taxable value of the OWNER's taxable inventory located on the Premises.
2. Each year OWNER must certify compliance by March 15 of payment in full of all real property taxes and business personal property taxes due for property located at the Premises, subject to the right of protest. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in subsection VII.B. below shall waive OWNER's right to the grant.
 3. All grant payments will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2016 and ending in June 2022, provided the Conditions and Requirements contained in section IV herein have been met.

B. On an annual basis, beginning in 2015 and ending in 2017, CITY agrees to pay OWNER a grant payment calculated as provided below in subsection V.B.1.

Agreement Year	Coverage Period	Certification Due	Payment No Later Than	CITY Fiscal Year
1	June 1, 2014 to May 31, 2015	July 1, 2015	September 1, 2015	FY15
2	June 1, 2015 to May 31, 2016	July 1, 2016	September 1, 2016	FY16
3	June 1, 2016 to May 31, 2017	July 1, 2017	September 1, 2017	FY17

1. Each grant payment shall be determined annually for each agreement year and based upon the following:
 - a. \$1000 for every Arlington resident hired and retained during the previous agreement year in a General Labor Position.
 - b. \$2000 for every Arlington resident hired and retained during the previous agreement year in a Managerial Position.
2. Certification for positions hired shall be prepared by OWNER by July 1 of each eligible year. Certification shall be accompanied by an employment report generated by OWNER that documents the number of new hires for the previous agreement year, their position category and their residential address.

3. All grant payments will be paid by CITY to OWNER on or before September 1 of each year, beginning in September 2015 and ending in September 2017, provided the Conditions and Requirements contained in section IV herein have been met.
4. The total amount of the grant(s) provided under this subsection, V.B., shall not exceed \$100,000. Once the CITY has paid to the OWNER grant(s) totaling \$100,000 the OWNER shall no longer be eligible to receive grant payments under this subsection, V.B.

VI.
Protests

This agreement shall not be construed to prohibit OWNER's protest or contest of any or all appraisals or assessments of any property on the Premises. The amount of the grants provided in subsection V.A. above shall be based upon the taxes as finally determined by the Tarrant Appraisal District to be due after such protests or contests are finally determined.

VII.
Breach and Recapture

- A. **Breach** - A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of grant payments. The following conditions shall constitute a breach of this Agreement:
 1. OWNER terminates use of the Premises any time during the duration of the Agreement; or
 2. OWNER fails to meet the Conditions and Requirements as specified in section IV. A., B., C., D., and E. above.
- B. **Notice of Breach** - In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by CITY, and recapture of grant payments may occur. Notice of breach shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in section IX of this Agreement.
- C. **Recapture** - During the term of this Agreement, should OWNER commit a breach of this Agreement according to items A(1) or A(2) of this section VI, CITY may terminate this Agreement and recapture all grant payments made under this Agreement up to the time of breach, subject to the meeting of section IV.B. herein providing an instance when recapture will not occur.

VIII.
Effect of Sale or Lease of Property

The grants authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises, unless such assignment is approved in writing by CITY; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

IX.
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 designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: Williams-Sonoma Direct, Inc.
3250 Van Ness Avenue
San Francisco, California 94109
Attn: Mr. James Krause, Vice President-Tax

CITY: City of Arlington
City Manager's Office
Attn: Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

X.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Chapter 380 Program Agreement for Economic Development Incentives on behalf of the CITY.

XI.
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.

XII.
Estoppel Certificate

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested, will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the incentives in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
Applicable Law

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XIV.
Indemnification

It is understood and agreed between the parties that OWNER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless CITY from any claims, damages, verdicts or judgments arising out of actions or omissions by OWNER or caused by OWNER in breach of this agreement. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and OWNER assumes no responsibility or liability to third parties in connection therewith, and CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

XV.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

XVI.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and

agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XVII.
Headings

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

XVIII.
Successors and Assigns

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

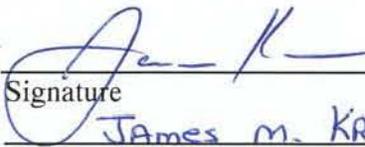
No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of CITY, and such consent shall not be unreasonably withheld, conditioned or delayed.

XIX.
Execution of Agreement

This Agreement must be executed within 60 days after the date this Agreement is authorized by the City of Arlington City Council and presented to OWNER for signature. This Agreement has been authorized by City Council on September 16, 2014.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 7th day of November, 2014.

WILLIAMS-SONOMA DIRECT, INC.

BY 

Signature
James M. KRAUSE

Typed or Printed Name
ASST. Secretary

Typed or Printed Title

WITNESS:



WILLIAMS-SONOMA STORES, INC.

BY 
Signature
James M. KRAUSE
Typed or Printed Name
ASST. SECRETARY
Typed or Printed Title

WITNESS:



WILLIAMS-SONOMA DTC, INC.

BY 
Signature
James M. KRAUSE
Typed or Printed Name
ASST. SECRETARY
Typed or Printed Title

WITNESS:



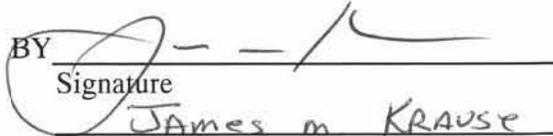
WILLIAMS-SONOMA DTC TEXAS, INC.

BY 
Signature
JAMES M. KRAUSE
Typed or Printed Name
ASST. SECRETARY
Typed or Printed Title

WITNESS:



**SUTTER STREET MANUFACTURING,
INC.**

BY 
Signature
James M. KRAUSE
Typed or Printed Name
Asst. Secretary
Typed or Printed Title

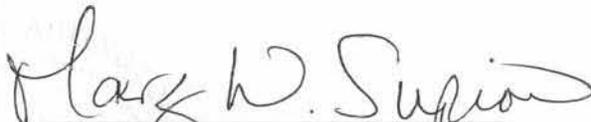
WITNESS:


Joanne Marshall

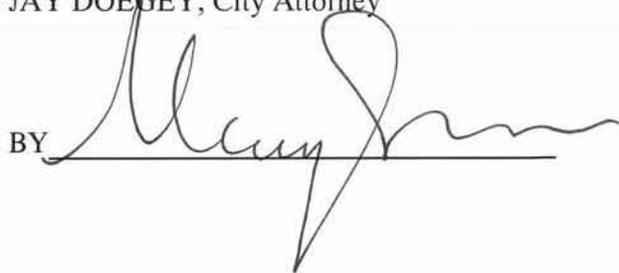
CITY OF ARLINGTON, TEXAS

BY 
DONALD E. JAKEWAY
Deputy City Manager

ATTEST:


MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WILLIAMS-SONOMA DIRECT, INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who is known to me or who was proved to me on the oath of _____ (*name of person identifying the acknowledging person*) or who was proved to me through _____ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **WILLIAMS-SONOMA DIRECT, INC.**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2014.

Notary Public in and for the State of Texas

My Commission Expires

Notary's Printed Name *please see Attached*

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WILLIAMS-SONOMA STORES, INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who is known to me or who was proved to me on the oath of _____ (*name of person identifying the acknowledging person*) or who was proved to me through _____ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **WILLIAMS-SONOMA STORES, INC.**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2014.

Notary Public in and for the State of Texas

My Commission Expires

Notary's Printed Name *please see attached*

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WILLIAMS-SONOMA DTC, INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who is known to me or who was proved to me on the oath of _____ (*name of person identifying the acknowledging person*) or who was proved to me through _____ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **WILLIAMS-SONOMA DTC, INC.**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2014.

Notary Public in and for the State of Texas

My Commission Expires

Notary's Printed Name

please see Attached

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WILLIAMS-SONOMA DTC TEXAS, INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, who is known to me or who was proved to me on the oath of _____ (*name of person identifying the acknowledging person*) or who was proved to me through _____ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **WILLIAMS-SONOMA DTC TEXAS, INC.**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2014.

Notary Public in and for the State of Texas

My Commission Expires

Notary's Printed Name

please see Attached.

Exhibit "A"

**TRACT III
PROPERTY DESCRIPTION**

STATE OF TEXAS
COUNTY OF TARRANT

Being a 45.370 acre tract of land situated in the J. O 'Daniel Survey, Abstract No. 1186, City of Arlington, Tarrant County, Texas, being a portion of Lot 2, Block 2 of the final plat of Lots 1R, 2, and 3, Block 2, Arlington Commerce Center, an addition to the City of Arlington, Tarrant County, Texas as recorded in Cabinet A, Side 12541, Plat Records, Tarrant County, Texas (PRTCT) and being a portion of a called 92.353 acre tract of land as described in deed to Arlington Commerce Center, L.P. recorded in Volume 14868, Page 150, Deed Records, Tarrant County, Texas (DRTCT) and being more particularly described as follows:

BEGINNING at a ½" rebar with a yellow plastic cap stamped "Goodwin & Marshall" set (hereafter referred to as ½" rebar capped set) in the west line of Sherry Street (45' R.O.W. per Cabinet A. Slide 12541, PRTCT) at the northeast corner of said Lot 2, Block 2 and the southwest corner of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 14860, Page 165 DRTCT;

THENCE along the west line of said Sherry Street (per Cabinet A. Slide 12541. PRTCT) and the east line of said Lot 2, Block 2 as follows:

S 00° 12' 02" E. a distance of 1247.64 feet to a ½" rebar capped set at the point of curvature of a curve to the left, having a radius of 845.00 feet;

Southeasterly, along said curve, having a central angle of 18° 46' 58" an arc distance of 277.01 feet and a chord that bears S 09° 35' 31" E, 275.77 feet to a ½" rebar capped set;

THENCE S 00° 12' 02" E, non tangent to said curve, along the west line of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 16425, Page 236, DRTCT and the east line of said Lot 2, Block 2, at a distance of 13.48 feet passing a ½" rebar capped set at the southwest corner of said Right-Of-Way dedication for said Sherry Street, continuing a total distance of 589.88 feet to a ½" rebar capped set at the southeast corner of said Lot 2, Block 2, from which a ½" steel pipe found bears N 89° 06' E 2.39 feet.

THENCE S 89° 06' 22" W, along the south line of said Lot 2, Block 2 and the north line of Tract 1 as described in deed to Hung Lu, recorded in D205223601 & D208391283, DRTC a distance of 1080.15 feet to a ½" rebar capped set at the south southwest corner of said Lot 2, Block 2 from which a 5/8" rebar found bears S 00° 16' E, 0.17 feet;

THENCE N 00° 16' 03" W, departing the north line of said Lu Tract 1, along a reentrant line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the east line of a tract of land as described in deed to the City of Arlington, Texas, recorded in Volume 13095, Page 212, DRTC, a distance of 560.00 feet (City Deed 560.24 feet) to a 5/8" rebar found at a reentrant corner of said Lot 2, Block 2 and said Arlington Commerce Center tract;

THENCE traversing said Lot 2, Block 2, as follows:

N 89° 44' 51" E, a distance of 162.73 feet;

N 00° 11' 30" W, a distance of 1171.47 feet to a ½" rebar capped set;

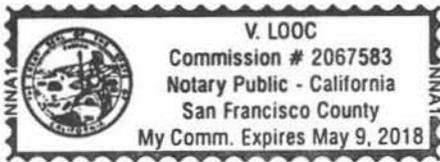
N 16° 03' 04" W, a distance of 91.48 feet to a cut "x" in concrete set;

N 00° 11' 30" W, a distance of 302.36 feet to ½" rebar capped set in the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of a tract of land as described in deed to A.R.C. STX Holdings L.L.C. recorded in D209330996

THENCE N 89° 45' 22" E, along the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of said A.R.C. STX Holdings, L.L.C. tract, a distance of 897.75 feet to the POINT OF BEGINNING and containing 1,976,323 square feet or 45.370 acres of land.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
County of San Francisco }
On 11/07/2014 before me, V. LOOC, NOTARY PUBLIC
Date Name and Title of the Officer
personally appeared JAMES KRAUSE
Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Chapter 380 program Agreement Document Date: September 16, 2014
Number of Pages: 15 Signer(s) Other Than Named Above: —

Capacity(ies) Claimed by Signer(s)

Signer's Name: James Krause
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: ASSISTANT SECRETARY

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: Williams-Sonoma Direct, Inc.

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

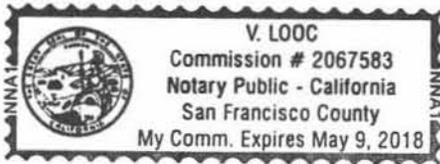
State of California }
 County of SAN FRANCISCO }
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 Name(s) of Signer(s)

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 Signature of Notary Public



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Signer's Name: James Krause
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Assistant Secretary

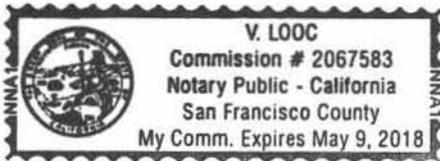
Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: Williams-Sonoma Stores, Inc.

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
County of San Francisco }
On 11/07/2014 before me, V. LOOC, Notary Public
Date Name and Title of the Officer
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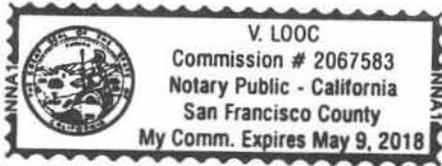
Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: Williams-Sonoma STE, Inc.

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
County of San Francisco }
On 11/07/2014 before me, V. Looc, Notary Public
Date Name and Title of the Officer
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Place Notary Seal Above

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

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Signature of Notary Public

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 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Assistant Secretary

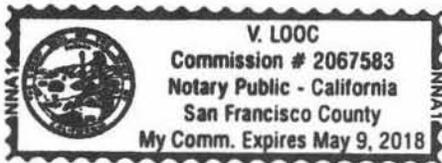
Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: Williams-Sonoma DTC TEXAS, INC.

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California }
County of San Francisco }
On 11/07/2014 before me, V. LOOC, Notary Public
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Capacity(ies) Claimed by Signer(s)

Signer's Name: JAMES KRAUSE
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Assistant Secretary

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: Sutter Street Manufacturing, Inc.

Signer Is Representing: _____

Ordinance No. 14-028

An ordinance of the City Council of the City of Arlington, Texas, authorizing the City of Arlington to participate in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (“Act”), identifying tax incentives, designating a liaison for communications with the interested parties, and nominating Williams-Sonoma Direct, Inc. to the Office of the Governor Economic Development and Tourism (“OOGEDT”) through the Economic Development Bank (“Bank”) as an Enterprise Project (“Project”), declaring an emergency and becoming effective upon passage

WHEREAS, the City Council of the City of Arlington, Texas (the “City”) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas; and

WHEREAS, the Project is located at 4900 Sherry Street, Arlington, Texas 76018 in the City’s jurisdiction in an area not designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Williams-Sonoma Direct, Inc. has applied to the City for designation as an Enterprise Project; and

WHEREAS, a public hearing to consider this ordinance will be held by the City Council of the City of Arlington, Texas on May 13, 2014; NOW THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

SECTION 1. The City nominates Williams-Sonoma Direct, Inc. for Enterprise Project status.

SECTION 2. The local incentives identified and summarized briefly in the attached Exhibit “A”, at the election of the governing body, are or will be made available to nominated Projects in the City of Arlington.

SECTION 3. The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 4. The City of Arlington City Council directs and designates the Economic Development Manager or his designee as the City’s liaison to communicate and negotiate with the OOGEDT through the Bank and

Enterprise Project(s) and to oversee enterprise zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an Enterprise Project.

SECTION 5. The City finds that Williams-Sonoma Direct, Inc. meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

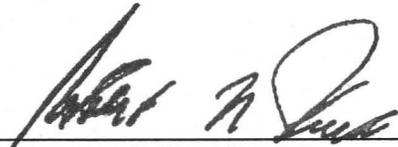
- (a) Williams-Sonoma Direct, Inc. is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body’s jurisdiction, located outside of an enterprise zone, and at least thirty-five percent (35%) of the business’ new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- (b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- (c) The designation of Williams-Sonoma Direct, Inc. as an Enterprise Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 6. The Enterprise Project shall take effect on June 2, 2014 and terminate on June 2, 2019.

SECTION 7. This is an ordinance for the immediate preservation of the public peace, property, health and safety, and is an emergency measure within the meaning of Article VII, Section 11 and 12, of the City Charter and the City Council by affirmative vote of all of its members present and voting, hereby declares that this ordinance is an emergency measure and the requirement that it be read at two (2) meetings, as specified in Section II, is hereby waived.

SECTION 8. This ordinance shall become effective from and after its passage.

PRESENTED, FINALLY PASSED AND APPROVED, AND EFFECTIVE on the 13 day of May, 2014, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor

ATTEST:



MARY SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY

