



## **RESOLUTION NO. 2025-174**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT THAT PROVIDES SOUTHWEST AIRLINES CO. A PARTIAL REIMBURSEMENT OF THE CITY HOTEL OCCUPANCY TAXES PAID TO THE CITY FOR HOTEL ROOM NIGHT RESERVATIONS MADE AT HOTELS LOCATED IN FARMERS BRANCH, TEXAS, AS AUTHORIZED IN TEXAS TAX CODE §351.101 ET SEQ; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, on November 12, 2024, the City of Farmers Branch City Council authorized the City Manager to enter into an Economic Development Incentive Agreement with Southwest Airlines Co. (“Company”) related to the Company reserving approximately 7,444 hotel room nights during the 2024 calendar year and an additional 20,000 hotel room nights during the 2025 calendar year in specific hotels located in Farmers Branch, Texas, to support its Southwest Airlines University (“SWA-U”) training program; and

**WHEREAS**, the Company has proposed to further expand the number of room reservations in specific hotels located in Farmers Branch; and

**WHEREAS**, the Company advised the City that a contributing factor that would induce it to make such commitments to reserve additional hotel room nights in the City would be an amended agreement by the City to (a) extend the term of the agreement and (b) provide revised economic development incentive grants to the Company, including an annual grant in the amount equal to \$5.00 per room/per night; and

**WHEREAS**, the City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code, Chapter 380, to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

**WHEREAS**, specifically, the City desires to provide Company a revised economic development incentive grant in the form of a partial reimbursement of the City’s hotel occupancy taxes paid by the Company to the City for hotel room night reservations made at hotels located in Farmers Branch, Texas, as authorized in Texas Tax Code §351.101 et seq.; and

**WHEREAS**, City Administration, having reviewed the foregoing request, has determined that it is in accordance with the City’s economic development programs, Chapter 351 of the Texas Tax Code, and will (i) further the objectives of the City; (ii) benefit the City and the City’s inhabitants; (iii) promote local economic development and stimulate business and commercial activity in the City; and (iv) enhance and promote the tourism and hotel industry in Farmers Branch; and

**WHEREAS**, the City Council of the City of Farmers Branch finds it to be in the public interest to authorize the execution of an amended agreement setting forth the terms and conditions by which the Company shall receive the revised requested economic development grant.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, THAT:**

**SECTION 1.** The City Manager is hereby authorized to execute on behalf of the City of Farmers Branch a First Amendment to the Economic Development Incentive Agreement with the Company, substantially in the form set forth in Exhibit “A,” attached hereto and incorporated herein by reference.

**SECTION 2.** The City Manager has full authority to administer the above approved agreement on behalf of the City including, but not limited to, providing notices of default and termination as the City Manager may, from time to time, deem appropriate and necessary.

**SECTION 3.** This Resolution shall be effective immediately upon final passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, THIS 2nd DAY OF SEPTEMBER 2025.**

ATTEST:

APPROVED:

\_\_\_\_\_  
Erin Flores, City Secretary

\_\_\_\_\_  
Terry Lynne, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Nicole Hamilton Corr, City Attorney  
[vf.08.24.2025]

## **EXHIBIT “A”**

### **FIRST AMENDMENT TO THE ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT Southwest Airlines Co. Hotel Occupancy Tax Reimbursement**

This First Amendment to the Economic Development Incentive Agreement (“First Amendment”) is entered by and between the City of Farmers Branch, Texas (“City”) and Southwest Airlines Co. (“Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized representatives. as of the Effective Date.

**WHEREAS**, City and Company previously entered into an Economic Development Incentive Agreement, effective December 23, 2024, (the “Agreement”); and

**WHEREAS**, City and Company now desire to amend the terms of the Agreement in the manner provided herein.

**NOW THEREFORE**, for and in consideration of the mutual covenants made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Company agree as follows:

1. Article II (Term) of the Agreement is repealed in its entirety and amended to read as follows:

#### **Article II Term**

This Agreement shall be effective until December 31, 2025. Upon expiration, this Agreement shall continue in full force until either party notifies the other party in writing of its intent to terminate this Agreement, in which case it shall terminate 60 days from the date of notice.

2. Section 3.1 of Article III (Economic Development Grant) is repealed in its entirety and amended to read as follows:

3.1 Hotel Occupancy Tax Grants. Subject to the continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide Company with an annual grant in an amount equal to \$5.00 per room/per night.

3. Except as provided in Paragraphs 1 and 2 above, the provisions of the Agreement remain in full force and effect without amendment.
4. This First Amendment shall be deemed effective on the date it has been signed by the authorized representatives of City and Company (the “Effective Date”).

*[Signatures on the following page]*

**SIGNED AND AGREED** by City on \_\_\_\_\_, 2025.

**City of Farmers Branch, Texas**

By: \_\_\_\_\_  
Ben Williamson, City Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Nicole Corr, City Attorney  
[vf 07.29.25]

**SIGNED AND AGREED** by Company on \_\_\_\_\_, 2025.

**SOUTHWEST AIRLINES CO.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_