



Agenda 7/27/2022

Notice is hereby given of a regular meeting of the City of San Angelo Development Corporation (COSADC) to be held on July 27, 2022 at 8:30 AM at the East Mezzanine of City Hall, 72 W. College Ave., San Angelo, Texas, for the purpose of considering the following agenda items.

1. Call to Order

2. Prayer

3. Public Comment

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

4. Consent Agenda

- a. Consider approving the necessary Corporation disbursements
- b. Consider approving the June 22, 2022 Meeting Minutes
- c. Consider approving June 2022 Financial Statements.
- d. Consider approving a copier lease agreement by and between the City of San Angelo Development Corporation and CTWP for the Business Resource Center and Business Incubator and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)
- e. Consider approving a lease agreement by and between the City of San Angelo Development Corporation and Vicki Terrill Coaching and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)
- f. Consider approving a lease agreement by and between the City of San Angelo Development Corporation and The Gold Beacon, PLLC and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)
- g. Consider approving a sponsorship for ASU SBDC, Meet the Lender Luncheon in an amount not to exceed \$500 and authorizing the Board President or their designee to execute all necessary documents (Guy Andrews)
- h. Consider approving updated guidelines for the Affordable Housing Assistance Program (AHAP) to reflect an increase of gap financing to \$50K as approved by the Board and ratified by City Council.

5. Regular Agenda

- a. Update on parks and recreation projects funded by Half Cent Sales Tax (Presentation by Carl White)

6. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

- a. Section 551.072 to deliberate the purchase, exchange, lease, or value of real property, regarding Sarah R Robertson survey 178.

7. Follow Up and Administrative Issues

- a. Consideration and possible action of items discussed in Closed Session, if needed
- b. Announcements and consideration of Future Agenda Items

8. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of San Angelo, Texas, on the 21st day of July, 2022 at 5:00 P.M.

Guy Andrews, Economic Development Director

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The Board reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code. In compliance with the Americans with Disabilities Act, the City of San Angelo Development Corporation will provide for reasonable accommodations for persons attending board meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Economic Development Office at 325-653-7197. COSADC meetings are broadcast on Channel 17-Government Access at 8:00 A.M. on every Wednesday on the Wednesday after each meeting.

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving the necessary Corporation disbursements

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

- | | | |
|----|-------------------------|-----------------------------|
| 1. | Disbursement 07-27-2022 | Disbursement 07-27-2022.pdf |
|----|-------------------------|-----------------------------|

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation
Check Disbursements
For Board Approval July 27, 2022

Economic Development

San Angelo Chamber of Commerce	\$	65,625.00	Marketing & recruitment 4th QTR	Ck. 5695
Taurus Technologies, Inc.		24,100.00	Tech Upgrades (Inv. 18968)	Ck. 5686
SMC Global		8,576.59	Tax prop. Incentive	Ck. 5696
Cowboy Up Chocolates		6,961.88	Reimbursement for BP (Inv. 3)	Ck. 5704
Dell Marketing		2,164.56	New laptop (Inv. 10592089450)	Ck. 5691
CDW Government		1,556.08	Apple Ipad Pro (Inv. 525755)	Ck. 5699
Jowers Commercial Cleaning		1,200.00	Clean BRC building (Inv. 5687)	Ck. 5702
JR Silva Tree Service & Landscaping		1,123.00	Clean BRC parking lot and Indust Park (Inv. 4213 & 4214)	Ck. 5705
Total for Board Consideration	\$	111,307.11		

Parkhill Smith & Cooper, Inc.	\$	999.75	Prof Serv - Indust Park (Inv. 1806021.006)	Ck. 5703
MC Electric		893.79	Electrical serv at BRC (Inv. 15 & 1570)	Ck. 5684
Jowers Commercial Cleaning		800.00	Cleaning at BRC (Inv. 5695)	Ck. 5710
Centurion Planning & Design, LLC		700.00	ED Park Survey (Inv. 672)	Ck. 5690

Russ Wallace		596.00	Monthly IT serv for Business Factory (Inv. 1033)	Ck. 5706
Ener-tel		509.98	Service call and parts (Inv. 276439)	Ck. 5692
Advance Service Group, Inc.		475.00	Fix thermostat (Inv. 212071)	Ck. 5694
Go San Angelo		388.76	Legal notice (Inv. 4649831)	Ck. 5701

Rads Window Cleaning		350.00	Clean interior and exterior windows at BRC (Inv. 1046)	Ck. 5694
Guy Andrews		575.35	Travel Settlement - TEDC Mid Yr Conf	
House of Chemicals		219.14	Paper supply (Inv. 1004583)	Ck. 5683
CTWP		174.05	Overage copier charge (Inv. 1372013)	Ck. 5700
Bowles Heating & Cooling, Inc.		165.00	A/C unit (Inv. 2396)	Ck. 5689
Nolan Sosa		160.00	Travel Settlement - TEDC Mid Yr Conf	

Kirbo's Office Systems		149.00	Mo. Copier rental for Business Factory (Inv. 414203)	Ck. 5693
Ener-tel		100.00	Mo. Burglary security monitor (Inv. 278624)	Ck. 5682
Atmos Energy		98.28	Gas Utilities at BRC (Inv. 07252022)	
Bug Express		85.00	Qtrly pest control at BRC (Inv. 42939)	Ck. 5707
Atmos Energy		84.29	Gas Utilities at BRC (Inv. 07252022)	
CVEC		46.72	Electric at Airport Signage (Inv. 26511)	Ck. 5708
Angelo Water Serv.		36.23	Water delivery & rental cooler (Inv. 7005)	Ck. 5698
Republic Service		29.51	Trash service for BRC (Inv. 1131827)	Ck. 5711
	\$	7,635.85		

Total Economic Development Disbursements **\$ 118,942.96**

Ballot

First Title Co.	\$	55,070.72	Mortgage buy down - 629 W. 16th	Ck. 2015
Total for Board Consideration	\$	55,070.72		

Total Routine Disbursements **\$ -**

Total Ballot Disbursements **\$ 55,070.72**

Grand Total Disbursements this Period **\$ 174,013.68**

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving the June 22, 2022 Meeting Minutes

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

- | | |
|------------------------------|-------------------------------|
| 1. COSADC Minutes 06-22-2022 | COSADC Minutes 06-22-2022.pdf |
|------------------------------|-------------------------------|

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo, Texas
Development Corporation
Meeting Wednesday, June 22, 2022

Present:

Max Puello, President
John Bariou, First Vice President
Dr. Clifton Jones, Second Vice President
Dr. Ruben Ceballos, Director
Chris Evatt, Director
Joe Spano, Director
Dr. Farrah Gomez, Director

1. Call to Order

With a quorum of the City of San Angelo Development Corporation Board Members present, President Puello called the regular session of the City of San Angelo Development Corporation to order at 8:32 a.m., on Wednesday, June 22, 2022, in the City of San Angelo City Hall, 72 W. College Avenue, San Angelo, TX 76903.

2. Prayer

An invocation was provided by Second Vice President Jones.

3. Public Comment

Dave Erickson, Director of Angelo State University, Small Business Development Center introduced Mia Czarnecki. She will be assisting them as a Graduate Assistant.

4. Consent Agenda

- a. Consider approving the necessary Corporation disbursements
- b. Consider approving May 25, 2022, Meeting Minutes
- c. Consider approving May 2022 Financial Statements
- d. Consider extending the lease with the Angelo State University Small Business Development Center for a term commencing Sept1, 2022 through August 30, 2023, and authorizing the Board President to execute all necessary documents.
(Nora Nevarez)

- e. Consider approving an electrical service and maintenance agreement by and between the City of San Angelo Development Corporation and MC Electric and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)
- f. Consider approving a heating, ventilation, and air conditioning (HVAC) service and maintenance agreement by and between the City of San Angelo Development Corporation and Bowles Heating & Cooling and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)
- g. Consider approving an agreement by and between the City of San Angelo Development Corporation and Padilla Painting in the amount of \$2,000 for Drywall repair and touch up at the Business Resource Center and authorizing the Board President or their designee to execute all necessary documents (Nolan Sosa)

Motion: First Vice President Bariou made a motion, seconded by Second Vice President Jones to approve the consent agenda, with the except item 4d. The motion carried unanimously (7) seven ayes to zero (0) nays.

Director Jones and Ceballos recused, for item 4d.

Motion: First Vice President Bariou made a motion, seconded by Director Spano to approve the consent agenda item 4d as presented. The motion carried unanimously five (5) ayes to zero (0) nays.

5. Regular Agenda

- a. Consider approving the 2022-2023 Development Corporation Budget and authorizing Staff to present said budget to the San Angelo City Council for formal adoption (Presentation by Tina Dierschke, Finance Director)

Motion: Director Spano made a motion, seconded by Director Ceballos to approve the 2022-2023 Development Corporation Budget with the option for updates/changes. The motion carried unanimously seven (7) ayes to zero (0) nays.

6. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

At 8:45 a.m., the Board convened Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meeting, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections.

- a. Section 551.072 to deliberate the purchase, exchange, lease, or value of real property, regarding Sarah R Robertson survey 178.

No updates.

- b. Section 551.071 - Consultation with Attorney regarding South Plains Lamesa Railroad, LTD. agreements

At 9:58 A.M, the Board reconvened

7. Follow Up and Administrative Issues

- a. Consideration and possible action of items discussed in Closed Session, if needed

Closed Session – 6b

Motion: Director Ceballos made the motion authorizing the Board President to complete the following with respect to the agreement with Wisener Holdings, LLC: 1.) negotiate and execute an amendment to the economic development Performance agreement to include a guarantee of rail access and rate to any future rail port expansion, 2.) execute a Release of Lien with respect to the Deed of Trust dated effective October 15, 2020; and 3.) affirm survival of the Real Estate Lien Deferred Payment Note & execute any necessary amendments thereto, seconded by Director Spano. The motion carried unanimously seven (7) ayes to zero (0) nays.

- b. Announcements and consideration of Future Agenda Items

None

8. Adjournment

Motion: First Vice President Bariou made a motion, seconded by Director Spano to adjourn the meeting. The motion carried unanimously seven (7) ayes to zero (0) nays.

There being no further business, the meeting adjourned by consensus at 10:00 A.M.

THE CITY OF SAN ANGELO

Corporation President

ATTEST:

Corporation Secretary

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplement Minute Record. Details on Board meetings may be obtained from the City Clerk's Office. (Portions of the video recording may be distorted due to equipment malfunction or other uncontrollable factors.)

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving June 2022 Financial Statements.

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

- | | | |
|----|----------------|--------------------|
| 1. | COSADC FS 2206 | COSADC FS 2206.pdf |
|----|----------------|--------------------|

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation

Financial Information and Schedules As of June 30, 2022

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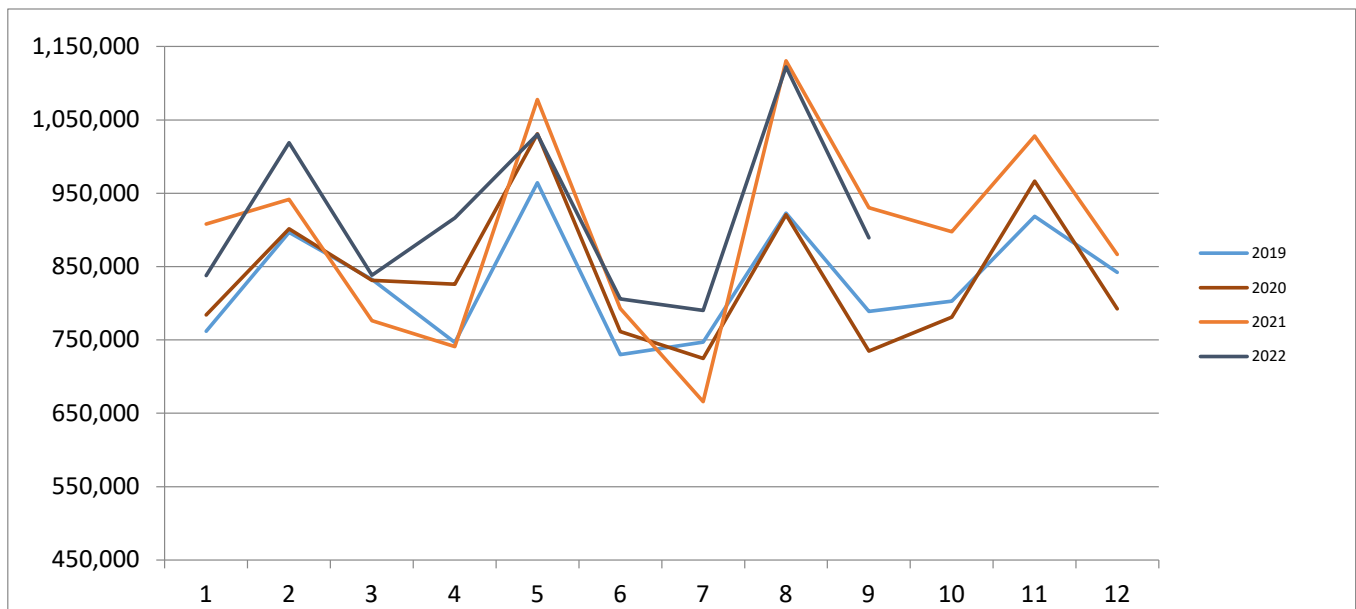
**City of San Angelo Development Corporation
Executive Summary
June 2022**

Available Fund Balances

Unassigned Fund Balance-Economic Development	3,720,353
Unassigned Fund Balance-Ballot	4,623,230

Sales Tax Analysis

Month	2019	2020	2021	2022	% Over/(Under)
Oct	761,865	784,232	907,912	837,902	-7.71%
Nov	896,890	901,416	941,714	1,018,994	8.21%
Dec	832,486	831,209	776,336	838,245	7.97%
Jan	746,604	826,116	740,927	916,151	23.65%
Feb	964,281	1,030,912	1,077,963	1,030,426	-4.41%
Mar	730,020	761,229	792,882	806,025	1.66%
Apr	747,020	725,032	665,954	790,185	18.65%
May	923,026	920,877	1,130,561	1,122,067	-0.75%
Jun	789,102	734,988	930,276	889,239	-4.41%
Jul	802,784	781,279	897,588		
Aug	918,423	966,590	1,027,915		
Sep	842,023	792,202	866,535		



City of San Angelo Development Corporation
Balance Sheet - Economic Development
As of June 30, 2022

ASSETS

Current Assets

Checking/Savings

Cash 422,157

Money Market 2,586,027

Total Checking/Savings 3,008,184

Accounts Receivable

Leases -

Grants 84,345

Total Accounts Receivable 84,345

Other Current Assets

Investments 5,971,989

Total Other Current Assets 5,971,989

Total Current Assets 9,064,518

Fixed Assets

Land -Industrial Park 62,948

Industrial Park-Phase I 567,414

Industrial Park-Phase II 38,624

Industrial Park-Phase III 20,377

Building-Business Resource Ctr 2,004,967

Accum Depr-Building (1,080,184)

Total Fixed Assets 1,614,145

TOTAL ASSETS

10,678,663

LIABILITIES & FUND EQUITY

Liabilities

Current Liabilities

Security Deposits 1,136

Total Current Liabilities 1,136

Total Liabilities 1,136

Fund Equity

Committed for Eco. Dev. Projects 5,097,340

Restricted for Fixed Assets 1,614,145

Reserved for Encumbrance 245,690

Unassigned Fund Balance 3,720,353

Total Fund Equity 10,677,528

TOTAL LIABILITIES & FUND EQUITY

10,678,663

City of San Angelo Development Corporation
Revenue & Expenditure Report - Economic Development
June 2022

		Budget	Month Actual	YTD Actual	YTD Actual W/ Enc	Over/(Under) Budget	% of Budget
Revenues							
Sales & Use Tax		2,852,009	248,987	2,309,785	2,309,785	(542,224)	81%
Interest on Investments		9,464	1,778	15,261	15,261	5,797	161%
Lease Income		10	-	5,486	5,486	5,476	100%
Miscellaneous Income		-	-	159,482	159,482	159,482	100%
Gain on Sale Assets		-	-	1,000	1,000	1,000	100%
Total Revenues		2,861,483	250,765	2,491,014	2,491,014	(370,469)	87%
Expenditures							
Administrative		195,986	4,301	129,280	133,774	(62,212)	68%
City Services		705,946	-	352,973	352,973	(352,973)	50%
Industrial Park Ops & Maint		18,462	806	11,947	14,339	(4,123)	78%
Marketing-Chamber of Commerce		262,500	65,625	262,500	262,500	-	100%
Advertising		14,500	-	11,500	11,956	(2,544)	82%
Building Maintenance/Utilities		106,087	7,032	61,076	81,590	(24,497)	77%
Capital		295,678	28,006	248,807	261,208	(34,470)	88%
Business Factory		138,784	781	33,929	38,881	(99,903)	28%
Total Operating Expenditures		1,737,943	106,551	1,112,012	1,157,221	(580,722)	67%
Projects							
Principle LED	DC0134	1,004	-	-	-	(1,004)	0%
Phase II Sewer Line	DC0136	96,000	-	-	-	(96,000)	0%
TXDOT Aside Program Grant	DC0137	60,500	-	-	-	(60,500)	0%
Parkhill	DC0139	10,006	-	796	10,006	-	100%
Grant Works	DC0140	2,500	-	2,500	2,500	-	100%
Industrial Park-Phase II	DC0147	2,848	-	-	2,848	-	100%
US Customs Retention II	DC0152	151,762	-	-	-	(151,762)	0%
Principle LED BREP	DC0154	2,500	-	-	-	(2,500)	0%
Chadbourne Street	DC0157	750,000	-	750,000	750,000	-	100%
West Texas Steel	DC0162	59,000	-	-	-	(59,000)	0%
SMC Global	DC0163	160,000	8,577	8,577	8,577	(151,423)	5%
J's Deer & Wild Game	DC0164	15,000	-	-	-	(15,000)	0%
Double Barrel	DC0167	20,000	-	-	-	(20,000)	0%
Ethicon	DC0170	1,057,203	-	325,047	325,047	(732,156)	31%
Centurion BREP	DC0171	6,000	-	6,000	6,000	-	100%
Wendland Manufacturing	DC0176	400,000	400,000	400,000	400,000	-	100%
Airport Exit Monument	DC0179	100,000	-	-	-	(100,000)	0%
TGC/GAFB II	DC0181	145,000	-	66,861	66,861	(78,139)	46%
SMC Global - BREP	DC0182	362,500	-	-	-	(362,500)	0%
Dorado Construction	DC0183	50,000	-	-	-	(50,000)	0%
SME-Prime	DC0184	100,000	-	50,000	50,000	(50,000)	50%
Ind Park Monument	DC0187	2,400	-	2,400	2,400	-	100%
Ind Park Clearing	DC0188	25,000	1,000	1,000	25,000	-	100%
Skyline P3	DC0192	3,000,000	-	-	-	(3,000,000)	0%
BREP - 4540 Construction	DC0201	32,500	-	-	-	(32,500)	0%
Ind. Park Brush Clearing	DC0202	188,000	89,204	89,204	188,000	-	100%
Future Projects		487,223	-	-	-	(487,223)	0%
Total Project Expenditures		7,286,946	498,781	1,702,385	1,837,239	(5,449,707)	23%
Total Expenditures		9,024,889	605,332	2,814,397	2,994,460	(6,030,429)	31%
Revenue Over/(Under) Expenditures		(6,163,406)	(354,567)	(323,383)	(503,446)		

City of San Angelo Development Corporation
Economic Development Projects
As of June 30, 2022

Project	Code	Original Allocation	Current Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Principle LED	DC0134	550,001	516,123	-	515,119	1,004
Phase II Sewer Line	DC0136	100,000	100,000	-	4,000	96,000
TXDOT Aside Program Grant	DC0137	100,000	100,000	-	39,500	60,500
Parkhill	DC0139	308,000	323,000	796	313,789	9,211
Grant Works	DC0140	54,000	54,000	2,500	54,000	-
Industrial Park-Phase II	DC0147	2,000,000	4,225,568	-	4,222,719	2,849
US Customs Retention II	DC0152	46,435	1,149,225	-	997,462	151,763
Principle LED BREP	DC0154	300,147	300,147	-	297,647	2,500
Chadbourn Street	DC0157	1,500,000	3,750,000	750,000	3,750,000	-
West Texas Steel	DC0162	59,000	59,000	-	-	59,000
SMC Global	DC0163	200,000	200,000	8,577	48,577	151,423
J's Deer & Wild Game	DC0164	60,000	60,000	-	45,000	15,000
Double Barrel	DC0167	70,000	70,000	-	50,000	20,000
Ethicon	DC0170	47,724	1,057,203	325,047	325,047	732,156
Centurion BREP	DC0171	36,000	36,000	6,000	36,000	-
Wendland Manufacturing	DC0176	400,000	400,000	400,000	400,000	-
Airport Exit Monument	DC0179	100,000	100,000	-	-	100,000
TGC/GAFB II	DC0181	145,000	145,000	66,861	66,861	78,139
SMC Global - BREP	DC0182	362,500	362,500	-	-	362,500
Dorado Construction	DC0183	150,000	150,000	-	100,000	50,000
SME-Prime	DC0184	150,000	150,000	50,000	100,000	50,000
Ind Park Monument	DC0187	5,800	5,800	2,400	5,800	-
Ind Park Clearing	DC0188	25,000	25,000	1,000	1,000	24,000
Skyline P3	DC0192	3,000,000	3,000,000	-	-	3,000,000
BREP - 4540 Construction	DC0201	32,500	32,500	-	-	32,500
Ind. Park Brush Clearing	DC0202	188,000	188,000	89,204	89,204	98,796
		9,769,607	16,338,566	1,613,181	11,461,726	5,097,340

Total Committed, Not Expended

5,097,340

City of San Angelo Development Corporation
Balance Sheet - Ballot
As of June 30, 2022

ASSETS

Current Assets

Checking/Savings

Cash

8,135

Money Market

2,668,991

Total Checking/Savings

2,677,126

Other Current Assets

Investments

3,000,688

Total Other Current Assets

3,000,688

Total Current Assets

5,677,814

TOTAL ASSETS

5,677,814

LIABILITIES & FUND EQUITY

Fund Equity

Committed for Ballot Projects

697,471

Assigned for Debt Service

357,113

Unassigned Fund Balance

4,623,230

Total Fund Equity

5,677,814

TOTAL LIABILITIES & FUND EQUITY

5,677,814

City of San Angelo Development Corporation
Revenue & Expenditure Report - Ballot
June 2022

	Budget	Month Actual	YTD Actual	YTD Actual w/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	7,333,738	640,252	5,939,448	5,939,448	(1,394,290)	81%
Interest on Investments	24,336	1,429	27,180	27,180	2,844	112%
Total Revenues	7,358,074	641,681	5,966,628	5,966,628	(1,391,446)	81%
Expenditures						
City Services	78,914	-	39,457	39,457	(39,457)	50%
Loan/Debt Service	5,465,394	-	5,108,281	5,108,281	(357,113)	93%
Total Operating Expenditures	5,544,308	-	5,147,738	5,147,738	(396,570)	93%
Projects						
West TX Water Partnership	200,000	10,291	40,290	40,290	(159,710)	20%
Affordable Housing	537,760	113,537	168,592	168,592	(369,168)	31%
Water Rights	498,960	-	-	-	(498,960)	0%
Future Projects	809,941	-	-	-	(809,941)	0%
Total Project Expenditures	2,046,661	123,828	208,882	208,882	(1,837,779)	10%
Total Expenditures	7,590,969	123,828	5,356,620	5,356,620	(2,234,349)	71%
Revenue Over/(Under) Expenditures	(232,895)	517,853	610,008	610,008		

City of San Angelo Development Corporation
Ballot Projects
As of June 30, 2022

Project	Project Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Ballot Projects:				
Water Supply Projects				
West Texas Water Partnership	857,010	40,290	697,300	159,710
* Reclaimed Water Alternatives	1,389,965	-	1,389,965	-
* Red Arroyo Storm Water Basin	151,040	-	151,040	-
Total Expenditures	2,398,015	40,290	2,238,305	159,710
Total Water Supply Projects				159,710
Affordable Housing				
Revenues				
* Sale of Fixed Assets - Blackshear Properties	394,351	-	394,351	-
Total Revenues				
Expenditures				
Affordable Housing	3,920,207	168,592	3,382,446	537,761
* Administrative Contract	120,405	-	120,405	-
* Blackshear Neighborhood Boundary	28,300	-	28,300	-
* Blackshear Properties	404,125	-	404,125	-
* Neighborhood Blitz	550,000	-	550,000	-
* Neighbors Helping Neighbors	53,000	-	53,000	-
* Rebuilding Together - Housing One Stop	23,759	-	23,759	-
* Rebuilding Together - Housing Repair	74,920	-	74,920	-
* Rehabs	114,487	-	114,487	-
* Roofing Grant	200,000	-	200,000	-
Total Expenditures	5,489,203	168,592	4,951,443	537,761
Total Affordable Housing				537,761
Other Projects				
* Sports Facilities Maintenance	285,353	-	285,353	-
Total Expenditures	285,353	-	285,353	-
Total Ballot Projects Committed, Not Expended				697,471

Voter Approved Projects:

* Fort Concho Improvements	900,000	-	900,000	-
* Sports & Athletics Facilities	708,744	-	708,744	-
* 29th Street Sports Complex	1,750,000	-	1,750,000	-
Total Expenditures	3,358,744	-	3,358,744	-
Total Voter Approved Projects Committed, Not Expended				-
* Completed				

City of San Angelo Development Corporation
Transaction Detail by Account
June 2022

Group #	PO #	Type	Date	Number	Description	Amount
Fund 700 DEVELOPMENT CORPORATION						
700-0000-313.00-00 TAX / SALES AND USE TAX						
5621	AJ	6/30/2022	444	COSADC Sales Tax		248,986.88
700-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
5628	AJ	6/30/2022	451	MM Interest ED		1,373.16
5529	AJ	6/1/2022	423	Interest		405.00
700-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL						
5264	AP	6/10/2022	5696	SMC GLOBAL		8,576.59
PROJECT#: DC0163						
4927	AP	6/2/2022	5680	WENDLAND MANUFACTU		400,000.00
4947	127749 AP	5/31/2022	5679	MWC INTERESTS, INC		89,204.00
PROJECT#: DC0202						
5392	127995 AP	11/22/2021	5703	PARKHILL SMITH & C		999.75
PROJECT#: DC0188						
700-0700-411.03-60 PROFESSIONAL & TECHNICAL / CONTRACT SERV						
5264	AP	6/17/2022	5695	SAN ANGELO CHAMBER		65,625.00
700-0700-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
4903	AJ	6/3/2022	UT	UB CHARGE UPDATE		135.60
4878	AJ	6/2/2022	UT	UB CHARGE UPDATE		15.00
700-0700-411.04-12 PURCHASED SERVICES / NATURAL GAS						
5302	126545 AP	6/7/2022	5688	ATMOS ENERGY		84.29
700-0700-411.04-13 PURCHASED SERVICES / ELECTRICITY						
5384	AP	6/17/2022	694953	GEXA ENERGY, LP		1,131.74
4907	AP	5/18/2022	694378	GEXA ENERGY, LP		876.32
700-0700-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI						
5389	126677 AP	6/20/2022	5702	JOWERS COMMERCIAL		1,200.00
5302	128102 AP	6/16/2022	5689	BOWLES HEATING & C		165.00
5302	126231 AP	6/14/2022	5694	RADS WINDOW CLEANI		350.00
5096	126933 AP	6/8/2022	5684	MC ELECTRIC		843.43
5096	126933 AP	6/8/2022	5684	MC ELECTRIC		50.36
5302	128008 AP	6/8/2022	5692	ENER-TEL SERVICES		509.98
5096	126599 AP	6/6/2022	5683	HOUSE OF CHEMICALS		219.14
5389	128066 AP	6/6/2022	5697	ADVANCED SERVICE G		475.00
4937	126677 AP	6/1/2022	5678	JOWERS COMMERCIAL		800.00
5096	126233 AP	6/1/2022	5682	ENER-TEL SERVICES		100.00
5097	126269 AP	5/31/2022	5685	REPUBLIC SERVICES,		29.51
5097	127006 AP	5/31/2022	5681	CONCHO VALLEY ELEC		46.77
700-0700-411.04-42 PURCHASED SERVICES / RENT OF EQUIPMENT						
5389	127331 AP	6/21/2022	5700	CTWP		174.05
5296	AP	5/31/2022	694796	CTWP		117.83
700-0700-411.05-21 PURCHASED SERVICES / INSURANCE-LIABILITY						
4993	AP	5/3/2022	10439	CITIBANK, N.A		2,175.00
700-0700-411.05-30 PURCHASED SERVICES / COMMUNICATION						
5661	AJ	6/28/2022	467	Suddenlink June 22		675.10
5667	AJ	6/28/2022	473	VoIP - June 22		305.82
700-0700-411.05-31 PURCHASED SERVICES / CELLULAR PHONE						
5452	AJ	6/7/2022	413	AT&T Jun '22		55.79
5663	AJ	5/22/2022	469	Verizon Chrgs Apri		55.29
700-0700-411.05-42 PURCHASED SERVICES / LEGAL NOTICES						
5390	126771 AP	5/1/2022	5701	GO SAN ANGELO		388.76
700-0700-411.05-65 PURCHASED SERVICES / SPECIAL PROJECT "A"						
5302	126564 AP	6/10/2022	5693	KIRBO'S OFFICE SYS		149.00
5096	126230 AP	6/1/2022	5687	WALLACE, RUSSELL E		596.00
4993	AP	4/5/2022	10439	CITIBANK, N.A		36.24

City of San Angelo Development Corporation
Transaction Detail by Account
June 2022

Group #	PO #	Type	Date	Number	Description	Amount
700-0700-411.05-80 PURCHASED SERVICES / TRAVEL & LODGING						
	4993	AP	4/21/2022	10439	CITIBANK, N.A	137.94
700-0700-411.05-90 PURCHASED SERVICES / CONVENTIONS & SCHO						
	4993	AP	4/11/2022	10439	CITIBANK, N.A	15.00
	4993	AP	4/8/2022	10439	CITIBANK, N.A	15.00
	4993	AP	4/4/2022	10439	CITIBANK, N.A	(50.00)
700-0700-411.06-14 SUPPLIES / POSTAGE & SHIPPING						
	4929	AP	5/31/2022	10435	POSTMASTER	24.00
700-0700-411.06-30 SUPPLIES / FOOD						
	5389	126679 AP	6/23/2022	5698	ANGELO WATER SERVI	36.23
	4993	AP	4/28/2022	10439	CITIBANK, N.A	75.00
	4993	AP	4/8/2022	10439	CITIBANK, N.A	34.90
	4993	AP	4/5/2022	10439	CITIBANK, N.A	36.24
	4993	AP	4/5/2022	10439	CITIBANK, N.A	28.75
700-0700-800.07-44 PROPERTY / TECHNOLOGY CAPITAL						
	5302	128125 AP	6/16/2022	5691	DELL MARKETING LP/	2,164.56
	5389	128126 AP	6/13/2022	5699	CDW GOVERNMENT, IN	1,556.08
	5096	127912 AP	6/8/2022	5686	TAURUS TECHNOLOGIE	24,100.00
	4993	AP	4/28/2022	10439	CITIBANK, N.A	184.99
700-0705-411.03-60 PROFESSIONAL & TECHNICAL / CONTRACT SERV						
	5302	127550 AP	6/3/2022	5690	CENTURION PLANNING	700.00
700-0705-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
	5004	AJ	6/8/2022 UT		UB CHARGE UPDATE	30.69
	4973	AJ	6/7/2022 UT		UB CHARGE UPDATE	75.34

Fund 711 Ballot

711-0000-313.00-00 TAX / SALES AND USE TAX

5621	AJ	6/30/2022	444	COSADC Sales Tax	640,251.99
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711-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS

5628	AJ	6/30/2022	451	MM Interest Ballot	1,429.21
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711-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL

5644	AJ	6/28/2022	465	WTWP May	10,290.67
PROJECT#: DC0123					
5289	AP	6/21/2022	2015	FIRST TITLE CO	55,070.72
PROJECT#: DC0200					
5051	AP	6/10/2022	2014	FIRST TITLE CO	58,466.67
PROJECT#: DC0200					

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures Fiscal Year through June 30, 2022

Hickory Water Supply - Fund 516 Debt Payments Through 2031

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		55,328		55,328			
REVENUES:							
Interest		-	-	-	-	596,221	596,221
C.O. Proceeds		-	-	-	-	119,998,750	119,998,750
Total Revenues		-	-	-	-	120,594,971	120,594,971
EXPENDITURES:							
Easements/Property Damage	4150	-	-	-	-	106,865	106,865
Engineering	4157	45,626	-	45,626	-	18,744,693	18,790,319
Well Field Pipelines	4152	-	-	-	-	3,026,918	3,026,918
30 " Transmission Main	4153	-	-	-	-	38,681,022	38,681,022
Well Field Pumps	4154	-	-	-	-	12,831,038	12,831,038
Well Field Pump Station	4155	-	-	-	-	1,617,139	1,617,139
Well Field Expansion	4158	-	-	-	-	7,668,888	7,668,888
Treatment Plant	4156	-	-	-	-	27,132,194	27,132,194
Well Field Expansion #2	4159	-	-	-	-	9,640,252	9,640,252
Issue Costs	9900	-	-	-	-	172,251	172,251
Total Expenditures		45,626	-	45,626	-	119,621,260	119,666,886
Revenue Over/(Under) Expenditures		(45,626)	-	(45,626)			
Ending Fund Balance		9,702		9,702			

	Revenues
Previous Years Activity	120,594,890
Current Year Budget	-
Less Interest Earned	(596,140)
TOTAL	119,998,750

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures

Fiscal Year through June 30, 2022

Hickory Water Supply II - Fund 527

Debt Payments Through 2045

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		10,069		10,069			
REVENUES:							
Interest Income		-	-	-	-	10,069	10,069
C.O. Proceeds		52,311,560	-	-	(52,311,560)	3,763,441	3,763,441
Total Revenues		52,311,560	-	-	(52,311,560)	3,773,510	3,773,510
EXPENDITURES:							
Post Construction	4150	150,000	-	150,000	-	-	150,000
Design & Inspection	4157	3,145,056	29,013	3,097,556	(47,500)	-	3,097,556
Construction	4159	49,016,504	438,321	48,666,503	(350,001)	-	48,666,503
Issue Costs	9900	-	-	-	-	1,469,664	1,469,664
Contingencies	9900	-	-	-	-	-	-
Transfer to Debt Service	1994	-	-	-	-	2,293,777	2,293,777
Total Expenditures		52,311,560	467,334	51,914,059	(397,501)	3,763,441	55,677,500
Revenue Over/(Under) Expenditures		-	(467,334)	(51,914,059)			
Ending Fund Balance		10,069		(51,903,990)			

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving a copier lease agreement by and between the City of San Angelo Development Corporation and CTWP for the Business Resource Center and Business Incubator and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)

Summary/History:

Staff maintains an existing agreement with CTWP for the copier in the Economic Development office suite (120). The lease for this copier expired in July 2022 and we are currently on a month-to-month lease until we renew the agreement, as outlined in the Lease Terms.

Staff also noted that the copier in the Business Incubator is nearing renewal (Oct. 2022) and opted to consolidate both leases to achieve economies of scale.

Financial Impact:

The amount for the copier leases is included in our FY23 budget.

Other Information/Recommendation:

Staff recommends approving a copier lease agreement by and between the City of San Angelo Development Corporation and CTWP for the Business Resource Center and Business Incubator and authorizing the Board President or their designee to execute all necessary documents.

Attachments:

- | | |
|-------------------|--------------------|
| 1. Blank Contract | Blank Contract.rtf |
|-------------------|--------------------|

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

Document Management Agreement

Agreement No.:



CUSTOMER INFORMATION:			SUPPLIER INFORMATION:	
Customer's Full Legal Name:			Supplier Name:	
Address:			CTWP	
City/State/Zip Code:			Address:	
Telephone Number:			3730 Franklin Avenue	
Federal Tax ID #:			City/State/Zip Code:	
County:			Waco, Texas 76710	

EQUIPMENT INFORMATION: ☐ See Attached Equipment Schedule		Equipment Location (if different than address shown above): _____	
Quantity	Equipment Make, Model & Serial Number (Required)	Quantity	Equipment Make, Model & Serial Number (Required)

TERM AND PAYMENT INFORMATION: Initial Term: _____ months			Minimum Payment Per Payment Period: _____* (*PLUS TAX)	
Image Type	Images Included Per Payment Period	Excess Per Image Charge	Payment Period is "Monthly" unless noted here: _____	
Black & White		*	Excess image charges billed "Quarterly" unless noted here: <u>Monthly</u>	
Color Tier 1		*		
Color Tier 2		*		
Color Tier 3		*		
Scans		*		
☐ See attached schedule for additional meters.				
Advance Payment: <u>0.00</u> * applied to ☐ 1st Minimum Payment ☐ Last Minimum Payment ☐ 1st and Last Minimum Payments				
Security Deposit: <u>0.00</u>			Documentation / Processing Fee: \$75.00	

In this agreement (as amended from time to time, the "Agreement"), "You" and "Your" mean the customer named above. "We," "Us" and "Our" mean the owner, **CTWP Leasing** ("Supplier" means the equipment supplier named above. You acknowledge and agree that this Agreement represents the complete and exclusive agreement between You and Us regarding the subject matter herein and supersedes any other oral or written agreements between You and Us. This Agreement can be changed only by written agreement between You and Us. Other agreements not stated herein (including, without limitation, those contained in any purchase order or service agreement between You and the Supplier) are not part of this Agreement and are not binding on Us.

1. LEASE OF EQUIPMENT. You agree to lease from Us the Equipment referenced herein ("Equipment") upon the terms stated herein. You promise to pay to Us all of the charges and fees stated herein. This Agreement is binding on You as of the date You sign it. You agree that after You sign, We may insert or correct any information missing on this Agreement, including Your proper legal name, serial numbers and any other information describing the Equipment, and change the payment amount by up to 15% due to a change in the Equipment or its cost or a tax or payment miscalculation.

2. EQUIPMENT SERVICE; SUPPLIES; YOUR UNCONDITIONAL OBLIGATIONS. The Supplier named above has agreed with You to provide Equipment service during normal business hours and to provide You with all toner, developer and parts necessary for You to produce images, all of which are included in the Minimum Payment Per Payment Period. However, You agree that: (a) You must separately purchase all other supplies, including, without limitation, copier paper, at Your own cost, and (b) You must separately purchase Equipment service outside the Supplier's normal business hours and any service, parts or supplies required by your misuse of the Equipment or failure to follow the manufacturer's suggested use instructions. You agree that: (i) We are a separate and independent company from the Supplier, manufacturer and any other vendor (collectively, "Vendors"), and the Vendors are NOT Our agents; (ii) No statement or warranty by any Vendor is binding on Us, and no Vendor has authority to waive or alter any term of this Agreement; (iii) You, not We, selected the Equipment and the Vendor(s) based on Your own judgment; (iv) Your obligations hereunder are absolute and unconditional despite any Equipment failure or any Vendor's failure to provide You with any Equipment service, parts or supplies (including any service, parts or supplies that are included in the Minimum Payment Per Payment Period), or any other adverse condition; (v) We are NOT a party to the Supplier's agreement to provide You with service, parts or supplies, such contract is NOT part of this Agreement (even though We will, as a convenience to You and the Supplier, bill and collect monies owed by You to the Supplier), and no breach by the Supplier will excuse You from performing Your obligations to Us hereunder; and (vi) If the Equipment is unsatisfactory or if any Vendor fails to provide any service or fulfill any other obligation to You, You shall not make any claim against Us and shall continue to fully perform under this Agreement.

3. IMAGE CHARGES. Each Payment Period, You agree to pay Us, by the due date set forth on Our invoice to You (i) the Minimum Payment shown above, (ii) the applicable Excess Per-Image Charge for each metered image in excess of the applicable number of Images Included, and (iii) applicable taxes and other charges provided for herein. You agree to pay such Minimum Payment each Payment Period even if You do not make the applicable number of Images Included. There are no "credits" that carry over from any Payment Period during which You make fewer than the applicable number of Images Included. You agree that We may increase the Minimum Payment and/or the applicable Excess Per-Image Charges once each year during the Initial Term and once each year for any Renewal Term, by an amount not to exceed 10% per year. At Our option, You will (a) provide Us by telephone or facsimile with the actual meter readings when We so request, (b) allow Us to attach an automatic meter reading device to the Equipment, or (c) allow Us access to the Equipment to obtain meter readings or audit the meter reading device. If We request You to provide Us with meter readings and You fail to do so within 7 days of Our request, then (i) We may estimate the number of images made and invoice you accordingly, and (ii) We will adjust the estimated charge for excess images upon receipt of actual meter readings. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and to the current amount due in such order as We determine. Any security deposit or estimated future Governmental Charge that You pay is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to cure any default by You, and the unused portion will be returned to You within 90 days at the end of the Initial Term or Renewal Term If We do not receive a payment in full on or before its due date, You shall pay (i) a fee equal to the greater of 10% of the amount that is late or \$29.00, plus (ii) interest on the part of the payment that is late in the amount of 1.5% per month ("Time-Value Interest") from the due date to the date paid. If any check is dishonored, You shall pay Us a fee of \$30.00.

4. TERM; AUTOMATIC RENEWAL. This Agreement is effective on the date that it is accepted by Us, and the term will begin on that date or any later date that We designate (the "Commencement Date") and will continue for the number of months shown above (the "Initial Term"). As used herein, "Present Term" means the term presently in effect at any time, whether it is the Initial Term or a Renewal Term (defined below). **Unless You notify Us in writing at least 60 days but not more than 120 days before the end of a Present Term that You intend to return the Equipment at the end of such Present Term, then: (a) this Agreement will automatically renew for an additional one-year period (a "Renewal Term") and (b) the payment terms and other terms of this Agreement will continue to apply.** If You do notify Us in writing within such time that You intend to return the Equipment at the end of a Present Term, then promptly upon the expiration of such Present Term You shall return the Equipment pursuant to Section 12. **This Agreement is non-cancelable for the full Initial Term and for any and all Renewal Terms.**

Customer: _____	Owner: CTWP Leasing
By: X _____	By: X _____
Date: ____ / ____ / ____	Date: ____ / ____ / ____
Print name: _____	Print name: _____
Title: _____	
BY SIGNING ABOVE, CUSTOMER ACKNOWLEDGES RECEIPT OF PAGE 2 OF THIS AGREEMENT AND AGREES TO THE TERMS ON BOTH PAGES 1 & 2	

5. INDEMNIFICATION. You shall indemnify and defend Us against, and hold Us harmless for, any and all claims, actions, damages, liabilities, losses and costs (including but not limited to reasonable attorneys' fees) made against Us, or suffered or incurred by Us in any way relating to the Equipment. This obligation shall survive the termination of this Agreement.

6. NO WARRANTIES. WE ARE PROVIDING THE EQUIPMENT TO YOU "AS IS". WE HAVE NOT MADE AND HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY APPLICABLE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. We hereby transfer to You, without recourse to Us, all automatically transferable warranties, if any, made to Us by the Vendor(s) of the Equipment. The parties hereto agree that the transaction documented in this Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code (the "UCC"). You hereby waive any and all rights and remedies conferred upon You by sections 507-522 Article 2A of the UCC. If this Agreement is deemed to be a secured transaction, You hereby grant to Us a security interest in the Equipment and all proceeds thereof. You authorize Us to record a UCC financing statement to protect Our interests in the Equipment. You acknowledge that You are aware of the name of the Supplier of each item of Equipment and You may contact the Supplier(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies. We assign to you any warranties given to us.

7. DELIVERY, LOCATION, OWNERSHIP, USE, MAINTENANCE OF EQUIPMENT. We are not responsible for delivery or installation of the Equipment. You are responsible for Equipment maintenance to the extent the Supplier does not provide the same. You will not remove the Equipment from the Equipment Location unless You first get Our permission. If the Equipment is moved to a new location, We may increase the "Minimum Payment" and/or "Excess" per-image charges by a reasonable amount in order to account for any increased costs in providing covered service, parts and supplies to You. You shall give Us reasonable access to the Equipment Location so that We may inspect the Equipment, whether performed prior to or after the Commencement Date, and You agree to pay Our costs in connection therewith. We will own and have title to the Equipment (excluding any software) during the Agreement. Except as provided in this paragraph, references to "Equipment" include any software referenced above or installed on the Equipment. If the Equipment includes any software, (i) We don't own the software, (ii) You are responsible for entering into any necessary software license agreements with the owners or licensors of such software, (iii) You shall comply with the terms of all such agreements, if any, and (iv) any default by You under any such agreements shall constitute a default by You under this Agreement. You represent that the Equipment will be used solely for commercial purposes and not for personal, family or household purposes. You will use the Equipment in accordance with all laws, operation manuals, service contracts (if any) and insurance requirements, and shall not make any permanent alterations. At Your own cost, You will keep the Equipment in good working order and warrantable condition, ordinary wear and tear excepted ("Good Condition").

8. LOSS; DAMAGE; INSURANCE. You shall, at all times during this Agreement, bear the risk of loss and damage to the Equipment and shall continue performing all Your obligations to Us even if it becomes damaged or suffers a loss. In no event will we be liable for any consequential or indirect damages. You agree to maintain comprehensive liability insurance acceptable to us. You also agree to: 1) keep the Equipment fully insured against loss at its replacement cost, with us named as loss payee; and 2) provide proof of insurance satisfactory to us no later than 30 days following the commencement of this Agreement, and thereafter upon our written request. If you fail to maintain property loss insurance satisfactory to us and/or you fail to timely provide proof of such insurance, we have the option, but not the obligation, to secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we secure insurance on the Equipment, we will not name you as an insured party, your interests may not be fully protected, and you will reimburse us the premium which may be higher than the premium you would pay if you obtained insurance, and which may result in a profit to us through an investment in reinsurance. If you are current in all of your obligations under the Agreement at the time of loss, any insurance proceeds received will be applied, at our option, to repair or replace the Equipment, or to pay us the remaining payments due or to become due under this Agreement, plus our booked residual, both discounted at 3% per annum.

9. ASSIGNMENT. You shall not sell, transfer, assign or otherwise encumber (collectively, "Transfer") this Agreement, or Transfer or sublease any Equipment, in whole or in part, without Our prior written consent. We may, without notice to You, Transfer Our interests in the Equipment and/or this Agreement, in whole or in part, to a third party (a "New Owner"), in which case the New Owner will, to the extent of such Transfer, have all of Our rights and benefits but will not have to perform Our obligations (if any). Any Transfer by Us will not relieve Us of Our obligations hereunder. You agree not to assert against the New Owner any claim, defense or offset You may have against Us.

10. TAXES AND OTHER FEES. You are responsible for all taxes (including, without limitation, sales and personal property taxes, excluding only taxes based on Our income), assessments, license and registration fees and other governmental charges relating to this Agreement or the Equipment (collectively "Governmental Charges"). You agree to promptly pay Us, on demand, estimated future Governmental Charges. You authorize Us to pay any Governmental Charges as they become due, and You agree to reimburse Us promptly upon demand for the full amount (less any estimated amounts previously paid by You). You agree to pay Us a fee for preparing and filing personal property tax returns. You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements, and (ii) a documentation/processing fee as set forth on Page 1 (or as otherwise agreed to) to cover Our investigation, documentation and other administrative costs in originating this Agreement. You also agree to pay Us a fee, in accordance with Our current fee schedule, which may change from time to time, for additional services We may provide to You at Your request. You acknowledge that We may (on behalf of the Supplier) bill You for any supply freight fee that the Supplier charges for shipping supplies to You. You agree that the fees set forth in this Agreement may include a profit.

11. DEFAULT. You will be in default hereunder if You (1) fail to pay any amount due hereunder within 15 days of the due date, (2) breach or attempt to breach any other term, representation or covenant set forth herein or in any other agreement between You and Us, (3) die (if You are an individual), go out of business or commence dissolution proceedings, (4) become insolvent, admit Your inability to pay Your debts, make an assignment for the benefit of Your creditors (or enter into a similar arrangement), file (or there is filed against You) a bankruptcy, reorganization or similar proceeding or a proceeding for the appointment of a receiver, trustee or liquidator, or (5) suffer an adverse change in Your financial condition and, as a result thereof or for any other reason, We deem Ourselves insecure. If You default, We may do any or all of the following: (A) cancel this Agreement, (B) require You to return the Equipment pursuant to Section 12 below, (C) take possession of and/or render the Equipment (including any software) unusable (and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law), and sell, lease or otherwise dispose of the Equipment on such terms and in such manner as We may in Our sole discretion determine, (D) require You to pay to Us, on demand, an amount equal to the sum of (i) all Minimum Payments and other amounts then due and past due, (ii) all remaining Minimum Payments for the remainder of the then Present Term discounted at a rate of 6% per annum, (iii) the residual value of the Equipment estimated by Us at the inception of this Agreement (as shown in Our books and records), discounted at a rate of 6% per annum, (iv) Time-Value Interest on the amounts specified in clauses "i", "ii" and "iii" above from the date of demand to the date paid, and (v) all other amounts that may thereafter become due hereunder to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "v" referred to below as the "Balance Due"), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition ("Remarketing") of the Equipment, plus Time-Value Interest on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment, We shall give You a credit against the Balance Due in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the "Net Proceeds"). If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency. Any delay or failure to enforce Our rights under this Agreement shall not constitute a waiver thereof. We shall not be liable for any losses, directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within any Equipment returned to Us or repossessed by Us. The remedies set forth herein are cumulative, are in addition to any other remedies provided for by applicable law, and may be exercised concurrently or separately.

12. RETURN OF EQUIPMENT. If You are required to return the Equipment under this Agreement, You shall, at Your expense, promptly upon demand, send the Equipment to any location(s) that We may designate and pay Us a handling/restocking fee of \$250.00. The Equipment must be properly packed for shipment, freight prepaid and fully insured, and must be received in Good Condition (defined in Section 7 above). If the Equipment is not received within 15 days of the date of demand, You agree to continue paying Minimum Payments and all other amounts due hereunder until the Equipment is received by Us. You cannot pay off this Agreement or return the Equipment prior to the end of the Initial Term or any Renewal Term without our consent. If we consent, we may charge you, in addition to other amounts owed, an early termination fee equal to 5% of the price of the Equipment.

13. APPLICABLE LAW; VENUE; JURISDICTION; SEVERABILITY. You agree that this Agreement and any claim related to this Agreement shall be governed by the internal laws of the state in which our (or, if we assign this agreement, our assignee's) principal place of business is located and any dispute concerning this Agreement will be adjudicated in a federal or state court in such state. You hereby consent to personal jurisdiction and venue in such courts and waive transfer of venue. Each party waives any right to a jury trial. If any amount charged or collected under this Agreement is greater than the amount allowed by law (an "Excess Amount"), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be refunded to You or applied to any other amount then due hereunder. Each provision hereof shall be interpreted to the maximum extent possible to be enforceable under applicable law. If any provision is construed to be unenforceable, such provision shall be ineffective only to the extent of such unenforceability without invalidating the remainder hereof.

14. INTERIM RENT. As you will have possession of the Equipment from the date of its delivery to You, You agree to pay Us an interim rent charge as reasonably calculated by Us for the period from the date the Equipment is delivered to You until the Commencement Date. The payment for this interim period will be based on the Minimum Payment prorated on a 30-day calendar month and will be added to Your first invoice.

15. MISCELLANEOUS. You shall furnish Us with current financial statements upon Our request. You acknowledge that You have received a copy of this Agreement. The original of this Agreement shall be that copy which bears your facsimile or original signature, and which bears our original signature. You waive notice of receipt of a copy of this Agreement with Our original signature. You hereby represent to Us that this Agreement is legally binding and enforceable against You in accordance with its terms.

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving a lease agreement by and between the City of San Angelo Development Corporation and Vicki Terrill Coaching and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)

Summary/History:

Vicki Terrill will be leasing an office space in the Business Resource Center. Mrs. Terrill is currently assisting the San Angelo Regional Manufacturers Alliance (SARMA) by improving leadership skills, identifying purpose, and inspiring team performance.

Financial Impact:

Other Information/Recommendation:

Attachments:

- | | | |
|----|--|---|
| 1. | 22-0336 - DRAFT LEASE - TERRILL VICKIE | 22-0336 - DRAFT LEASE - TERRILL VICKIE.docx |
|----|--|---|

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation

Business Resource Center

Office Lease Agreement

Basic Terms

Effective Date: July 1, 2022

Landlord: CITY OF SAN ANGELO DEVELOPMENT CORPORATION, a Texas municipal development corporation

Landlord's Address: 69 N. Chadbourne St., San Angelo, Tom Green County, Texas 76903

Tenant: Vickie Terrill

Tenant's Address: 69 N. Chadbourne Street, San Angelo, Texas 76903

Phone: (325) 234-6032

Email: vterrill@vickiterrillcoaching.com

Leased Premises: Office suite number 210.2 located on the second floor of the Business Resource Center, 69 N. Chadbourne St., San Angelo Texas, being approximately 100 square feet, as depicted in the diagram of second floor of the BRC, attached hereto as **Exhibit "A"** ("Leased Premises").

Term: One (1) year, commencing on the **Effective Date** and automatically extending for up to one (1) additional one year term, unless earlier terminated as herein provided.

Termination Date: June 30, 2023 subject to one extension of term for an additional year, Terminating on June 30, 2024

Permitted Use: Tenant shall use the Leased Premises for the limited purpose of professional business office and related uses.

Zoning: The Permitted Use shall be subject to use restrictions in the designated zoning district for the Leased Premises. At the commencement of the Lease Term the designated zoning district for the Leased Premises is "Central Business District" (CBD).

Initial Payment: Initial Rent Payment due and payable on execution of this Lease, is the sum of Seven Hundred Twenty and 00/100 Dollars (\$720.), which includes: (a) One time Security **Deposit** for one office suite ~~in the amount of~~(a) Four Hundred Eighty and 00/100 Dollars (\$480.00); ~~and~~ (b) first month's rent of Two Hundred Forty and 00/100 Dollars (\$240.00)

The deposit is refundable within 30 days of termination or expiration of the lease, net of amounts credited to reimburse landlord for reasonable expenses necessary to restore the Leased Premises to their condition at commencement of the lease, normal wear and tear excepted.

Monthly Rent: Except as provided herein for the Initial Payment, monthly Rent shall be in the sum of Two Hundred ~~Forty Ninty Nine~~ and 00/100 Dollars ~~(\$299.15—Suite 210.5) and Two Hundred Sixty Eight and 60/100 Dollars (\$268.60—Suite 210.6);~~ payable in advance on or before the 1st day of each month during the term of this Lease. Payments due under this Lease shall be made to the Landlord at 69 N. Chadbourne St., San Angelo, Texas 76903.

Commented [DB1]: Please double check. Above it says she is just leasing suite 210.2 with monthly rent at \$240.

Clauses and Covenants

A. Tenant agrees to—

1. Lease the Premises on an annual term with rent payable in advance in equal monthly installments.
2. Comply with all applicable laws, ordinances, rules and regulations relating to Tenant's occupancy, use and maintenance of the Leased Premises.
3. Pay when due the Initial Rent Payment, regular Rent payments and any other payment obligation of Tenant under the terms of this Lease.
4. Pay to Landlord a late charge ten percent of the rent due plus interest accrued on the balance past due at the lower of ten percent (10%) per annum or the maximum rate allowed by law. Acceptance by Landlord of late rent, charges or interest shall not be construed as a waiver of the right of Landlord to terminate this Lease at its option as authorized herein.
5. Pay all taxes on Tenant's property located on the Leased Premises.
6. Use the Leased Premises for the Permitted Use only and uses incidental thereto in compliance with applicable law.
7. Tenant shall return the Leased Premises to Landlord in the same condition as when received, reasonable wear and tear accepted.
8. TENANT AGREES TO INDEMNIFY DEFEND, AND HOLD HARMLESS, LANDLORD, ITS BOARD MEMBERS, OFFICERS, AGENTS AND EMPLOYEES, FROM ANY AND ALL CLAIMS, FAULT, LIABILITIES, DEMANDS, SUITS, CAUSES OF ACTION, PROCEEDINGS OF ANY KIND AND JUDGMENTS FOR PERSONAL INJURY AND/OR PROPERTY LOSS OR DAMAGE, PLUS REASONABLE ATTORNEYS' FEES AND COST OF DEFENSE, WHICH THE INDEMNIFIED PARTIES MAY INCUR ARISING DIRECTLY OR INDIRECTLY OUT OF THE SOLE OR JOINT NEGLIGENCE, ERROR, OMISSION, OR INTENTIONAL ACTS OF TENANT IN THE EXERCISE BY TENANT OF THE PRIVILEGES CONFERRED UNDER THIS LEASE.

THIS INDEMNIFICATION, DEFEND AND HOLD HARMLESS AGREEMENT SHALL SURVIVE THE TERM OF THIS AGREEMENT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE THE INDEMNIFYING PARTY TO

INDEMNIFY, DEFEND OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

9. Maintain Insurance as follows:

a. Tenant shall, at all times during the term hereof, maintain such insurance coverage as may be required by LandlordCITY and approved by the City of San Angelo Risk Manager of the types and in the amounts specified in **Exhibit "B"** attached hereto, which by this reference is incorporated into this Agreement for all purposes, and with insurers licensed to do business in Texas. All insurance required herein will defend and shall be drawn in the name of Tenant, with LandlordCITY, its board members, officers, agents, guests, invitees, consultants and employees named as additional insureds, except on coverage for Workers' Compensation. Every policy required above shall be primary insurance. Any insurance or self-insurance benefits carried by LandlordCITY, its board members, officers, or employees, shall be excess and not contributory to that provided by Tenant. All such insurance, including renewals, shall be subject to the approval of the City of San Angelo Risk Manager for adequacy of protection and evidence of such coverage shall be furnished to the City Risk Manager on Certificates of Insurance indicating such insurance to be in force and effect and providing that it will not be canceled during the performance of Services under this Agreement without thirty (30) calendar days prior written notice to LandlordCity. Completed Certificates of Insurance shall be filed with City's Risk Manager at City Hall, 72 W. College Avenue, San Angelo, Texas 76903, prior to Tenant occupying or utilizing the Leased Premises, provided however, that Tenant shall at any time upon request file duplicate copies of the policies of such insurance with LandlordCITY.

b. Tenant shall notify City's Risk Manager of any reduction or exhaustion of insurance policy aggregate limits. Should Tenant fail to immediately secure other insurance, as specified, for any policy canceled before expiration of the Lease Term or any extension thereof, LandlordCity may procure such insurance and assess the cost thereof against Tenant as additional rent.

c. Tenant shall require its insurance carrier(s), with respect to Commercial General Liability and Automobile Liability insurance policies, to waive all rights of subrogation against LandlordCITY, its board members, officers, agents, guests, invitees, consultants and employees.

d. The procuring of such policies of insurance shall not be construed to be a limitation upon Tenant's liability or as a full performance of its obligations under the indemnification provisions of this Lease. Tenant's obligations are, notwithstanding said policies of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its occupation or control over the Leased Premises pursuant to this Lease or any extension thereof.

10. Vacate the Leased Premises on the last day of the Term.

B. Tenant agrees not to—

1. Use the Leased Premises for any purpose other than the Permitted Use, including that:

a. No permanent improvements shall be made or construction without the prior written consent of Landlord.

b. No storage or dispensing of petroleum products or hazardous materials without Landlord's prior written consent. ("Hazardous Material" being the presence of which requires investigation, notice or remediation under any federal, state or local statute, regulation, ordinance.)

2. Create or allow any nuisance or waste on Leased Premises.

3. Cause or allow a lien to be placed on the Leased Premises.

4. Assign this Lease or sublease any portion of the Leased Premises without Landlord's prior written consent.

5. Litter or leave trash or debris on the Leased Premises.

C. Landlord agrees to—

Lease to Tenant the Leased Premises subject to the terms and conditions herein provided beginning on the Commencement Date. Landlord covenants and agrees that at all times when Tenant is not in default under the terms of this Lease, Tenant's quiet and peaceable enjoyment of the Leased Premises for the Permitted Use shall not be disturbed or interfered with by Landlord or any person claiming by, through or under Landlord, except as otherwise may be specifically provided for under the terms of this Lease.

D. Landlord agrees not to—

Allow any use of the Leased Premises inconsistent with Tenant's Permitted Use, subject to the reservations of rights herein stated, and so long as Tenant is not in default.

E. Landlord and Tenant mutually agree to the following:

1. *Rent Adjustment.* N/A.

2. *Disclaimer of Warranties.* ALL WARRANTIES OF LANDLORD THAT MAY ARISE IN COMMON LAW ARE EXCLUDED. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

3. *RESERVATIONS.* LANDLORD OPERATES THE BUSINESS FACTORY INCUBATOR PROGRAM AND IN ADDITION TO TENANT, OFFICE SPACE IN THE BRC IS OCCUPIED BY VARIOUS PRIVATE BUSINESS ENTITIES. LANDLORD IS RESPONSIBLE FOR BUILDING OPERATION AND MAINTENANCE OF COMMON AREAS, INCLUDING USE OF PARKING FACILITIES AND SECURITY. LANDLORD RESERVES THE RIGHT TO ADOPT REASONABLE RULES AND REGULATIONS RELATING TO OFFICE USE OF THE BRC BY MULTIPLE PRIVATE BUSINESS ENTITIES, IN ADDITION TO CITY, CITY OFFICES, AND ASU SMALL BUSINESS DEVELOPMENT CENTER. TENANT AGREES TO COMPLY WITH SUCH RULES AND REGULATIONS.

4. *Termination of Lease.* Landlord or Tenant may terminate this lease for convenience on thirty (30) days written notice to the other party. *The foregoing provision for termination is in addition to termination pursuant to Default* by Tenant, under Section 9 herein.

5. *No Encumbrances.* Tenant shall not have the right to encumber the Leased Premises.

6. *Transfer, Assignment and Subletting.* Tenant may not transfer, assign or sublet the Leased Premises, in whole or in part, without the prior written consent of the Landlord, which consent may be withheld in the sole discretion of Landlord.

7. *Fees Related to Leased Premises.*

a. *Utilities:* Usual utilities (electric, water, HVAC) are provided by Landlord. Telephone and other services are provided by Tenant at Tenant's expense. Any use of Landlord's copier will be charged as additional rent at the rate of \$.10 per page for color copies. Landlord will permit Tenant up to 250 black and white copies per month without charge. Each black and white copy exceeding 250 in any calendar month will be charged as additional rent at the rate of \$.08 per page.

b. Tenant will be permitted occasional use of the conference room located on the first floor of the BRC without charge, unless Tenant charges a fee for attendees at a meeting or event utilizing the conference room. Tenant will be charged as additional rent at the rate of \$75 for half day (up to four hours) or \$175 for full day (exceeding four hours but not more than eight hours). Scheduling of use of the conference room will be pursuant to BRC policy approved by Landlord.

c. *Taxes:* Tenant shall be solely responsible for the payment of any taxes assessed relating to Tenant improvements or personal property placed upon the Leased Premises. Tenant shall pay all such taxes, charges, and assessments to the public officer charged with the collection thereof not less than fifteen (15) days before the same shall become delinquent, and **Tenant agrees to indemnify and save harmless Landlord from all such taxes, charges and assessments.** Failure to pay such taxes and assessments as provided herein shall, at the option of Landlord, result in termination of this Lease.

8. *Default by Tenant/Events.* The following shall constitute events of default by Tenant:

- a. failure to timely pay Rent or other charges payable by Tenant under this Lease; or,
- b. failure to comply with any provision of this Lease Agreement other than timely payment of Rent.

9. *Default by Tenant/Landlord's Remedies.* Landlord's remedy for Tenant's default, after providing a notice describing the nature of default and such default continues for a period of ten (10) days after notice, is to terminate this Lease Agreement by written notice, take possession of the Leased Premises, and seek judicial relief for costs, rents due and such other damages or relief to which Landlord may be entitled. Landlord may enter and take physical possession and control over the Leased Premises on termination of this Lease by self-help, and may prohibit the Tenant in default or any other person who may be occupying the Leased Premises, from access thereto or the use thereof, and shall not be liable in trespass or for damages therefore.

10. *Default/Waiver/Mitigation.* It is not a waiver of default if the Landlord fails to declare immediately a default or delays in taking any action. Pursuit of any remedy set forth in this Lease does not preclude pursuit of other remedies under this Lease or provided by law.

11. *Reimbursement of Landlord's Expenses.* Tenant shall pay on demand Landlord's expenses necessarily incurred, including, but not limited to attorney's fees and court costs, to enforce any Tenant obligation under this Lease or to terminate this Lease for Tenant's default and retake physical possession of the Leased Premises.

12. *Amendment of Lease.* This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.

13. *Notices.* Any notice required or permitted under this Lease must be in writing and delivered to the address for the recipient party. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) on the second day after deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address below. Notice may also be given by personal delivery or commercial courier delivery and will be effective when actually received. Any address for notice may be changed by written notice delivered to the other party as provided herein.

LANDLORD:

City of San Angelo
Attn: Dir. of Economic Development
69 N. Chadbourne St.
San Angelo, Texas 76903

TENANT:

Vicki Terrill
69 N. Chadbourne Street, Ste. 210.2
San Angelo, Texas 76903

14. *Entire Agreement.* This Lease Agreement constitutes the entire agreement of the parties concerning the lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the lease of the Leased Premises by Landlord to Tenant that are not in this Lease Agreement.

EXECUTED by the parties in duplicate originals on the dates indicated below.

TENANT:

Vicki Terrill Coaching

BY: _____
Vicki Terrill

DATE: _____, 2022

LANDLORD:

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

Attest:

Nora Nevarez, Corporation Secretary

BY: _____
Max Puello, President

DATE: _____

APPROVED AS TO FORM

APPROVED AS TO RISK

Brandon Dyson, Deputy City Attorney

Charles Hagen, Risk Manager

COSADC/Vicki Terrill Coaching



210.8 124 sq. ft. Vacant	210.7 197 sq. ft. A&M Electric	210.6 144 Sq. Ft. Shad Wisener	210.5 191 sq. ft. Shad Wisener
			210.4 Vacant 161 Sq. Ft.
210.2 100 sq. ft. V. Terrill	210.1 105 sq. ft. Vacant		

EXHIBIT “B”

SPECIAL INSURANCE RIDER

TYPES AND AMOUNTS OF INSURANCE REQUIRED. ~~Tenant~~Provider shall obtain and continuously maintain in effect at all times during the term hereof, at ~~Tenant~~Provider’s sole expense, insurance coverage as follows with limits not less than those set forth below:

- 1.1 **Commercial General Liability.** Tenant shall obtain and maintain policies of insurance covering the Leased Premises and Tenant’s activities thereon at all times during the Term, including comprehensive general liability insurance with a minimum combined occurrence and annual limitation of \$1,000,000.00; and Fire Damage on the building and fixtures with a minimum combined occurrence and annual limitation of \$150,000. This policy shall be an occurrence-type policy and shall protect Tenant and additional insureds against all claims arising from bodily injury, sickness, disease or death of any person (other than Tenant’s employees) and damage to property of ~~Landlord~~City or others arising out of the act or omission of ~~Tenant~~Provider or its agents and employees. This policy shall also include protection against claims for the contractual liability assumed by ~~Tenant~~Provider under the paragraph of this Agreement entitled “Indemnification”.

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving a lease agreement by and between the City of San Angelo Development Corporation and The Gold Beacon, PLLC and authorizing the Board President or their designee to execute all necessary documents (Nora Nevarez)

Summary/History:

Kimberly Henry, CEO/Founder of The GOLD Beacon, PLLC has applied to participate in the Development Corporation's Business Factory, Business Incubator program. She will be leasing an office suite. Ms. Henry honorably served 10 years in the US Navy as a Signals Analyst and Sexual Assault Victim Advocate. She recently received a Veteran Women Entrepreneurs grant from the Texas Women's University Center for Women Entrepreneurs. She will consult for-profit and non-profit on preparing grant applications, strategic planning outlines, and training curriculum .

Financial Impact:

Lease Agreements are subject to extension upon mutual agreement of the tenant and the Development Corporation's Authorized Representative.

Other Information/Recommendation:

Staff recommends approving a lease agreement by and between the City of San Angelo Development Corporation and The GOLD Beacon, PLLC and authorizing the Board President or their designee to execute all necessary documents.

Attachments:

1. DRAFT Agreement_The Gold Beacon PLLC DRAFT Agreement_The Gold Beacon PLLC.docx

Presentation:

Nora Nevarez

Approvals/Reviews:

Nora Nevarez

Tina Dierschke

Brandon Dyson

Created/Initiated

Approved

Approved

Guy Andrews

Final Approval

CLIENT GRANT, LICENSE AND SERVICE AGREEMENT

This agreement (the Agreement) is made and entered into as of **August 1, 2022**, by and between City of San Angelo Development Corporation (COSADC), a Texas Non-Profit Corporation, and The GOLD Beacon, PLLC, d/b/a/ (Licensee), a Professional Limited Liability Company based in San Angelo, Texas.

WITNESSETH:

WHEREAS, COSADC was formed, in part, to aid, assist, and encourage entrepreneurship and business development in the Concho Valley; and,

WHEREAS, COSADC has instituted a Business Incubator Program (the Program) where COSADC provides discounted facilities and services to small, newly formed business enterprises (the Clients) in order to facilitate the growth and success of the Clients and to promote the overall economic development of the Concho Valley; and,

WHEREAS, Clients who apply and are accepted into the Program agree to locate themselves in COSADC/Business Resource Center facilities, participate in educational seminars and business consulting provided by COSADC and ASU SBDC, and pay graduated, subsidized license fees for use of COSADC facilities, services and equipment; and

WHEREAS, Licensee has been accepted into the Program as a Client;

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, the parties named above do hereby contract, covenant, and agree as set forth below:

ARTICLE I INCUBATOR PROGRAM

Section 1. Incubator Program. The Licensee agrees to use his, her, or their best efforts to follow the obligations set forth in the Personalized Incubator Program, attached hereto as Exhibit A, within the time frames set forth therein. Any failure to meet these obligations strictly within the time frames set forth, other than a failure which is solely due to the action or inaction of COSADC, will be considered a material breach of this Agreement and will constitute a default within the meaning of Article VI.

Section 2. Reporting Requirements. Licensee, as a participant in the Program, will be expected to provide information regarding the operation of its business to COSADC on a quarterly basis as described more fully in the Incubator Personalized Incubator Program.

A. Licensee grants COSADC a non-exclusive license in perpetuity to use information compiled by COSADC and LICENSEE, trade names, or trademarks for the following purposes:

- i. to determine the effectiveness of the Program;

ii. to allow COSADC to market the Program to potential Clients and funding sources; and,

iii. to meet the reporting requirements of COSADC's current funding sources.

B. COSADC agrees that information compiled by COSADC will only be reported to third parties either (i) on an aggregate basis, (ii) as anonymous statistical compilations, or (iii) pursuant to a valid confidentiality agreement consistent with COSADC policies on confidentiality and pursuant to the Texas Public Information Act.

C. COSADC staff may, from time to time, request in writing additional information not listed on the Personalized Incubator Program, and Licensee will make a good faith effort to comply with such requests within the time period specified; however, Licensee will not be required to comply with additional information requests not specified in the Personalized Incubation Program if the compilation of the response would result in a significant additional cost to Licensee.

Section 3. Graduation. The Licensee shall be deemed to have graduated from the Program when all conditions to graduation, as listed in the Personalized Incubation Program, have been met. In the event that the Agreement terminates prior to the time Licensee meets the conditions to graduation, the Licensee will be deemed removed from the Program without graduating.

ARTICLE II TERM

Section 1. Agreement Term and Renewal. Unless otherwise terminated as provided below, this Agreement shall remain in force for **one (1) year** from the date hereof. If, at the end of the initial term of this Agreement or any renewal thereof, Licensee is not in default of any term, condition, or covenant contained herein, including any performance criteria as set forth in Exhibit A of this Agreement, this Agreement may be renewed for **Three (3) successive one year terms**; however, in no event, shall the total term of this Agreement extend past or be renewed to extend past **FOUR (4) years** from the date hereof.

Section 2. Termination by Graduation. Graduation of Licensee will terminate this Agreement immediately; however, no such graduation shall take place without the COSADC receiving at least **two (2) months prior notice** of the date of such graduation and subsequent termination.

Section 3. Early Termination by Licensee. Provided Licensee is not in default of any term, condition or covenant contained herein, Licensee shall have the right to terminate this Agreement without the consent of COSADC only as set forth below.

i. Licensee must give COSADC at least one (1) month prior notice of early termination, which termination will not be effective until the last day of the last full calendar month that falls (1) one month after Licensee's notice.

ii. Licensee may vacate the Premises prior to the expiration of the **one (1) month** period from the date of such notice of termination if Licensee pays in advance, prior to vacating

the Premises, all fees then due including any increase in fees made by COSADC pursuant to this Agreement.

Section 4. Fees Incurred Post Termination. After the effective date of any termination of this Agreement, Licensee will remain liable for any accrued but unpaid fees under this Agreement and any new fees incurred thereafter as described in Article V, Section 6. Any such amounts shall be immediately due and payable as incurred and shall bear interest at the statutory judgment rate until paid in full.

Section 5. Default Terminations. COSADC and Licensee shall have the right to terminate this Agreement pursuant to the terms of Article VI, Section 2, or Section 3, as applicable.

ARTICLE III SERVICES

Section 1. Grant of Services. COSADC shall provide for the Licensee's use of the facilities, equipment, and services set forth on the List of Program Services, attached hereto as Exhibit B, free of charge to the Licensee as a participant in the program. The fair market value of such facilities, equipment, and services shall be deemed charitable grants to the Licensee in accordance with COSADC's Purpose and the administration of grant funds given to COSADC by third parties.

Section 2. Fee-Based Services. COSADC shall provide for the Licensee's use of the facilities, equipment, and services set forth on the List of Fee-Based Services, attached hereto as Exhibit C, for the fees and at the rates described therein. The amount of any difference between (i) the fair market value, and (ii) the fees actually charged to Licensee by COSADC for such facilities, equipment, and services, shall be deemed charitable grants as described in Section 1 above.

A. Fee-Based Services shall be provided to Licensee on an as-needed basis when Licensee notifies COSADC of its intention to use such services.

B. Fee-Based Services billed in advance (as indicated in EXHIBIT C, List of Fee-Based Services).

ARTICLE IV PREMISES

Section 1. Premises. COSADC hereby agrees to grant to Licensee an exclusive license to use **124 sq. ft. of office space** (Office #210.8) comprised of 1 individual office, and a non-exclusive license to use common hallways, kitchens, and restroom facilities (the Premises) at the COSADC facility at 69 North Chadbourne Street, in San Angelo, Texas, Tom Green County (the Business Resource Center Site), for the full term of this Agreement.

A. The Premises granted per term of this lease agreement are designated as Office # 210.8 on the floor plan of the Business Resource Center Site attached hereto as Exhibit D (the Floor Plan).

B. The Licensee will be granted 24-hour access to the Premises, 7 days per week. Licensee will be assigned an access door card. The licensee is responsible to report a lost card immediately to the COSADC staff.

C. Premises are assessable to Licensee and employees of the Licensee provided the employees have received a criminal background check by the Licensee and provided to the COSADC representative prior to issuance of an access card.

D. The Premises will be furnished to include the following, per leased space:

i. One telephone instrument (if needed) and telephone jack, and one Internet/printer network jack per room

ii. Furniture and Equipment for **Office # 210.8 (inventory number):**

Example:

- One - desks (Inventory no. 10)
- One - 5 shelf bookcase 10 ¼ X 36 (Inventory # BO 008)
- One - Black office chair (BOC 009)
- Two- blue side chairs (SCO 031 & SCO 456)

E. All utilities, janitorial service, except telephone service used in or about the premises shall be provided by COSADC. Air conditioning and central heating, in season, on business days will be provided during regular business hours of 7:00 a.m. to 6:00 p.m., and at a temperature and in amounts as are considered by COSADC to be standard or in compliance with any governmental regulations. Any such service at times other than regular hours will be furnished upon not less than twenty-four (24) hours advance notice from Licensee. Fees for such extra utilities and janitorial services will be billed by COSADC monthly as set forth in Article V.

F. There are to be absolutely no space heaters used in or around offices; this is a fire hazard and is so noted in the Fire Safety Code.

G. Notwithstanding this Section 1, Licensee will have access to all areas of the COSADC Site provided to Licensee as Program Services or Fee-Based Services.

Section 2. Alteration of Premises. Notwithstanding Section 1 above, or the areas designated in the Floor Plan, COSADC reserves the right to alter the physical location of the space which shall be designated the Premises hereunder as outlined below.

A. Any alteration of the Premises by COSADC shall be with at least two (2) months advance notice in writing to Licensee, which notice shall include the effective date of such change and an updated Floor Plan. Upon such effective date, the newly designated Premises and Floor Plan shall be incorporated into this Agreement and considered the only Premises and Floor Plan for all purposes under this Agreement.

B. No alteration or relocation shall be made which would materially decrease or increase the total square footage of the Premises occupied by the Licensee without consultation with Licensee.

C. Upon alteration or relocation of the Premises, the License Fee described in Article V, Section 1(A) shall be decreased or increased on a square footage basis as of the effective date of such alteration.

D. Licensee shall have the right hereunder to request in writing the square footage of the Premises be increased or decreased. COSADC shall, in its sole discretion, decide whether or not to make such alteration; however, COSADC shall in good faith use reasonable effort to accommodate Licensee requests if such requests comport with the overall COSADC plans for the Program, needs of other Program participants, and the Business Plan of the Licensee. COSADC shall respond in writing to any such request of the Licensee within two (2) months of the date of such request.

E. **Interruption in Service.** Should any of the equipment or machinery provided as part of the Premises break down or for any reason cease to function properly, or should any of the utilities or janitorial services provided by COSADC cease to operate, COSADC shall use reasonable diligence to repair or restore the same promptly; however, Licensee shall have no claim for default or termination of the License as a result of any such repairs or interruption of services.

F. **Access.** COSADC staff and any contractors thereof, including custodial service personnel, shall have the right to enter the Premises as needed for building maintenance and upkeep. COSADC shall make a good faith effort to give prior notice to the Licensee of any such entry and schedule the times for such entry where appropriate. **Under no circumstances shall the Licensee change any of the locks on any part of the Premises without the prior written consent of COSADC.** In the event any locks on any part of the Premises are changed during the term of this license for any reason, Licensee must immediately make available to COSADC copies of keys with which to enter the Premise.

G. **Security Deposit.** Licensee, at the time of the execution of this Agreement, shall pay a deposit to COSADC in the sum of \$511.00 dollars and 20 cents (the Security Deposit). This deposit is to ensure the payment of all amounts due under this Agreement and that the Licensee, upon the termination of this Agreement, leaves the Premises in the same condition they were in at the time of this Agreement, reasonable wear and tear alone excepted. The Security Deposit shall not be considered an advance payment of any fees or a measure of COSADC's damages in case of the occurrence of any default under this Agreement. Licensee shall not be entitled to receive any interest on the Security Deposit, and COSADC may commingle the same with other monies of COSADC. The Security Deposit is considered twice the amount of the License and Service monthly fees (License & Service Fees x 2). License and Service fees cover programs and services calculated as per Article V Section 1. List of programs and services is located in Exhibits B and C.

H. Upon the termination of this Agreement and surrender of the Premises to COSADC, Licensee will deliver to COSADC in writing a forwarding address and request a return of the

Security Deposit. COSADC will, within sixty (60) days from the receipt of such notice, return the deposit or return any balance that might be remaining less any obligations owned by Licensee to COSADC under this Agreement.

I. Deductions from the security deposit shall be made for any amounts then due under this Agreement and for any damage done to the Premises including, but not limited to, insufficient light bulbs, scratches, burns, stains, holes in the wall, as well as damage to personal property of COSADC on the Premises, if any. In addition, COSADC may deduct the cost of any repainting or carpet cleaning if COSADC, in COSADC's sole discretion, deems the same to be appropriate.

J. If none or less than the full amount of the deposit is returned to Licensee, COSADC will, at the time of the return of any balance remaining or at the time of demand upon Licensee for any additional amount due, advise Licensee as to the use made of the deposit.

Section 3. COSADC Maintenance of Premises.

A. Licensee expressly agrees that COSADC shall have no duty or obligation whatsoever unless specified below, to make any subsequent repairs to the Premises, the COSADC Site, or any part of either during the term of this Agreement which affects or may affect the use of the Premises or the physical well being, health or safety of the Licensee, whether or not the Premises are later in a state of disrepair by reason of ordinary wear and tear or otherwise.

B. Licensee expressly acknowledges and understands that the license fees agreed to by the parties hereto take into account the fact that the Licensee is to have the use of the Premises "as is" in its present condition.

C. COSADC agrees to maintain the Premises and the COSADC Site in such condition as Licensee found the Premises and COSADC Site on the date hereof, ordinary wear and tear excepted, which shall include minimal maintenance for continued reasonable use of all items listed in Article IV, Section 1.

D. Licensee expressly agrees to cooperate with any maintenance or renovation work COSADC decides, in its sole discretion, to perform on the Premises or the COSADC Site; provided that Licensee is not denied use of the Premises for more than two consecutive days as a result of any voluntary maintenance or renovation work conducted by COSADC.

Section 4. Licensee Maintenance of Premises.

A. Licensee hereby accepts and acknowledges that the Premises have been tendered to Licensee in good condition and agrees to take good care of the Premises.

B. Licensee will make no alterations, additions, repairs, improvements or installation of fixtures without the prior written consent of COSADC.

i. Any alterations made or fixtures installed on the Premises by Licensee hereunder shall become the property of COSADC, and shall be surrendered with the Premises upon termination of this Agreement without compensation to Licensee.

ii. COSADC shall have the right upon termination of this Agreement to direct Licensee by written notice to remove or repair any alterations made or fixtures installed (whether or not such alterations or fixtures are the property of Licensee or COSADC) on the Premises; and Licensee, upon such notice, shall have an obligation to promptly complete such removal or repair at Licensee's own expense and repair any damage to the Premises caused by any such removal.

C. Licensee agrees to notify COSADC promptly, in writing, if any portion of the Premises is out of repair, and to reimburse COSADC for any damages caused by the negligence or misuse of Licensee or Licensee's agents, Licensees, invitees, or guests, or any other occurrence attributable to Licensee or Licensee's agents, Licensees, invitees, guests.

Section 5. Surrender Procedures. Upon termination of this Agreement, Licensee shall surrender the Premises to COSADC upon the effective date of such Termination in the same condition as when the term of this Agreement commenced, ordinary use and wear accepted.

Section 6. Abandoned Property. Upon surrender of the Premises by Licensee, all tangible personal property left by the Licensee for any reason in or upon the Premises shall be conclusively deemed to be abandoned by Licensee (Abandoned Property). After the expiration of sixty (60) days from such surrender and abandonment, Licensee hereby authorizes COSADC to dispose of the Abandoned Property as COSADC, in COSADC's sole discretion, deems necessary and in a manner COSADC deems fit and proper, and without recourse by the Licensee. COSADC herein is further given the express right to use the Licensee's security deposit described in Article IV, Section 2(G) above to cover COSADC's expenses in storing and disposing of the Abandoned Property.

Section 7. Hazardous Material. Licensee will not keep or permit any materials at or around the Premises which would cause suspension or cancellation of any fire and extended insurance coverage maintained by COSADC, or cause an increase in the premiums thereof.

Section 8. Chemical Use. Any chemicals to be used or stored within the Premises must be registered with and approved by COSADC. A current list of every chemical used by the Licensee must be given to COSADC, including a copy of the corresponding Material Safety Data Sheet (MSDS) for each chemical. COSADC shall have the right to periodically request an updated list and MSDS sheet to keep on file.

Section 9. Remedial Environmental Action. Licensee agrees that it will undertake any remedial or removal action that may be required by COSADC or any government authority or court concerning any environmental contamination, including any soil or water contamination, relating to and arising out of Licensee's operations at the Premises. If Licensee fails to cause such remedial or removal work to be done in a timely manner in compliance with any governmental requirements, COSADC shall have the right to contract on behalf of Licensee to have such work completed and shall

be indemnified by Licensee for any costs related to such work or the procurement of such work. Nothing in this Section 9 shall relieve Licensee of any of its indemnity obligations under Article VIII.

Section 10. Assignment and Subletting. Licensee shall not assign all or any portion of its license for the Premises (including any attempted sublet) without the prior written consent of COSADC. Any such attempted assignment shall have no force or effect and will not operate to relieve Licensee of any of its obligations under this Agreement.

Section 11. Taxes. Licensee shall be responsible for and agrees to pay all taxes and all other charges and assessments levied upon the Licensee's personal property, including trade fixtures and inventory, kept in or about the Premises during the term of this Agreement, as and when the same shall become due and payable and before delinquency.

ARTICLE V LICENSE AND SERVICE FEES

Section 1. Payment of Fees. The Licensee shall pay the following fees due to COSADC on a monthly basis, by the **first (1) business day** of each calendar month in which such fees become due.

License Fees. The Licensee shall promptly pay to COSADC in advance at the time set forth above without demand, offset, or deduction a monthly license fee for use of the Premises of a sum of **\$80.60** per month, based on \$0.65 per square foot of space in the Premises for current year lease rate. Total monthly payments, including the service fee of \$175.00, equal **\$255.60**.

Licensee shall continue to have access to incubation services until the end of the first year term, at which time this Agreement may be renewed at a rate of \$.90 per square foot in Year 2, \$.95 per square foot in Year 3, \$1.00 per square foot in Year 4, and a \$175.00 service fee. These rates are subject to change as the stated in Article V, Section 2.

Should Licensee need additional office space, and if available, the Licensee will be required to pay an additional deposit, and license fees.

A. Service Fees. On or before the **first (1) of each month**, COSADC shall submit to Licensee a statement of all fees incurred or payable in advance pursuant to the List of Fee-Based Services outlined in Exhibit C, List of Fee-Based Services. A monthly service fee will be **\$175.00**.

B. Late Fee Payments. If any fees are not paid on or before the fifth (5) day after such fees become due under this Agreement, Licensee shall pay a late charge of **\$50.00**.

C. Returned Check Fees. Licensee agrees to pay a **\$50.00** charge for each returned check, bank fees, plus late payment charges, if applicable.

D. Above Fee Amounts. COSADC shall submit to Licensee a statement of any amounts over the monthly allowable fees-base service. These amounts will be charged above the stated monthly fee. Example of these charges are more than one Network user, for color copies per tier rates, and additional IT Services.

Section 2. Adjustment of Fees. Licensee hereby acknowledges that COSADC has set many of its fees below market rates to assist licensee in creating a successful business enterprise. Licensee also acknowledges that, at the point of any renewal of this Agreement pursuant to Article II, Section 1, COSADC will have the right to adjust fees payable pursuant to Sections 2(A) and 2(B) of this Article V, as set forth below.

A. COSADC shall have the right to increase the fees it charges by no more than 25% for anyone renewal.

B. COSADC shall have the right to remove any facility, equipment, or service from the List of Program Services and add it to the List of Fee-Based Services, at which point COSADC will begin charging a fee for such facility, equipment, or service.

Section 3. Dishonored Checks. If any check from Licensee is dishonored for any reason by the Licensee's bank, thereafter COSADC, may, at COSADC's option, require all payments due hereunder to be paid by cashier's check, bank certified check, or money order.

Section 4. Interruption in Service. Should any of the equipment or machinery provided as part of the Premises break down or for any reason cease to function properly, or should any of the utilities or janitorial services provided by COSADC cease to operate, COSADC shall use reasonable diligence to repair or restore the same promptly, but Licensee shall have no claim for rebate or abatement of license fees or damages on account of any interruption in service occasioned from the repairs.

Section 5. Contractual Lien. Licensee does, upon the execution of this Agreement, grant to COSADC an express contractual lien and security interest in all fixtures, goods, and property of the Licensee now or hereafter placed in or upon the Premises, in order to secure the prompt payment of fees or other amounts due under this Agreement and full compliance by Licensee of all obligations under this Agreement. Licensee authorizes COSADC to execute and file a UCC-1 Financing Statement in favor of the COSADC to properly record this lien. This contractual lien shall be in addition to such statutory liens as COSADC may be entitled to under and by virtue of the laws of the State of Texas as presently existing or as may be amended. In order to exercise contractual or statutory lien rights when Licensee is in default under this Agreement, COSADC may peaceably enter the Premises and remove and store all covered, non-exempt property therein; provided, however, either Licensee will be present or written notice of entry will be left at the Premises.

Section 6. Post-Termination Fees. Licensee will incur fees under this Article after the effective date of any termination of this Agreement, for whatever reason, if Licensee:

A. (i) Continues to occupy the Premises or any other COSADC facility (in person or through storage of Licensee's personal property there), in which case, Licensee will be liable for double the then applicable license fee for use of the Premises, payable in advance, and Licensee will be liable for a full month's license fee for any partial month of occupation; or

B. (ii) Continues to use or retain possession of any COSADC personal property or equipment.

ARTICLE VI DEFAULT

A. **Licensee Default.** Any one or more of the following events shall be deemed a default by Licensee under this Agreement:

B. Licensee fails to pay on the date due any fees owed pursuant to Article V or any other monetary obligations to COSADC incurred as a result of this Agreement, fails to observe or perform any of its non-monetary promises or obligations under this Agreement, or breaches any representation or warranty made under this Agreement.

C. After notice from COSADC, Licensee fails to immediately cure any potentially hazardous condition that Licensee has created on the Premise or COSADC Site.

D. Licensee abandons the Premises prior to the full term of the Agreement without having first given appropriate notice to COSADC of termination of the Agreement pursuant to Article II, Section 3.

E. Licensee makes an assignment for the benefit of creditors, files a petition for protection under federal bankruptcy laws or similar laws, or any third party institutes a suit for any or the forgoing or to appoint a receiver or trustee for Licensee.

F. Licensee allows smoking of any substance and/or alcohol on Premises.

G. **Rights and Remedies Upon Licensee Breach.** If a Licensee Default occurs, COSADC shall have the following rights and remedies.

H. COSADC may terminate this Agreement by giving Licensee a 30 day written notice, which shall include a description of the Licensee Default and what measures Licensee must take to cure such default. Cure of such default prior to the expiration of the 30-day period shall eliminate this right to termination with respect to any default described in the notice of Licensee Default delivered; however, COSADC may terminate this Agreement immediately without notice if Licensee has already received three (3) valid notices of default within the prior 12 month period, or if the default in question involves the breach of a representation or warranty.

I. If COSADC terminates this Agreement as provided by Section 2(A) above, COSADC shall be entitled to recover from Licensee all unpaid license fees or other sums provided for by law or as otherwise provided for in this Agreement.

J. If COSADC terminates this Agreement as provided by Section 2(A) above, COSADC, without further notice, may re-enter the Premises without being liable for prosecution for such entry and take possession of the Premises and remove all persons or property from the Premises.

K. If COSADC terminates this Agreement as provided by Section 2(A) above, COSADC shall be entitled to immediately exercise its lien rights under Article V, Section 5.

L. If COSADC terminates this Agreement as provided by Section 2(A) above, COSADC may re-license the Premises at its discretion. Any license fees received as a result of such re-license shall be applied first to the expenses incurred by the COSADC in entering and re-licensing, and then to the payment of amounts due under this Agreement. Notwithstanding any such re-licensing, Licensee shall remain liable for any deficiency in the total amount due under this Agreement.

M. COSADC Default. Any one or more of the following events shall be deemed a default by COSADC under this Agreement:

- i. COSADC fails to observe or perform any of its promises or obligations under this Agreement, or breaches any representation or warranty made under this Agreement.
- ii. After notice from Licensee, COSADC fails to immediately cure any potentially hazardous condition that COSADC has created on the Premise or COSADC Site, but only if such condition on the COSADC Site affects Licensee's reasonable use of the Premises.

Section 2. Rights and Remedies Upon Licensors Breach. If a default by COSADC occurs, Licensee may terminate this Agreement by giving COSADC a 30-day written notice, which shall include a description and demand for cure of the Default. Cure of such default prior to the expiration of the 30-day period shall eliminate this right to termination with respect to the notice of default delivered.

Section 3. Cumulative Remedies. The rights and remedies provided by this Article VI, and otherwise in this Agreement, are cumulative and the exercise by any one of rights or remedies contained in Article VI of the Agreement shall not preclude or waive that party's right to use any and all other legal rights and remedies provided elsewhere in the Agreement, by law or in equity. The rights and remedies set forth herein are in addition to any other rights and remedies the parties may have by law, statute, ordinance, or otherwise.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

Section 1. Representations and Warranties of the Licensee. The Licensee hereby represents and warrants the following to COSADC, as of the date of this Agreement.

A. Organization and Good Standing. The Licensee is duly organized, validly existing, and in good standing under the laws of the State of Texas, and has full corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted and as it is proposed to be conducted.

B. Authorization of Agreement; Enforceability. The Licensee has all requisite corporate power and authority to execute and deliver this Agreement and to perform its duties hereunder, and the execution, delivery and performance by the Licensee of this Agreement has been duly authorized by all necessary corporate action on the part of the Licensee. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement (i) conflicts with or will result in the breach of any provision of any other agreements to which Licensee is a party; (ii) would result in the creation of any lien

on any of the property or rights covered by this Agreement, or (iii) requires the consent or waiver of any third party, including any governmental entity.

C. Application for Entry. All information submitted by Licensee in its signed Application for Entry into the Program, attached hereto as Exhibit E, is, as of this date, accurate and complete and does not contain any untrue statement of material fact and does not fail to state a material fact necessary in order to make such statements contained herein and therein not misleading. A false or misleading statement may result in termination of lease.

D. Legal Actions. There are no legal, administrative, regulatory or judicial proceedings pending or threatened against the Licensee or its assets or properties. The business of the Licensee, as contemplated in the Application for Entry does not violate the intellectual property rights of any other entity or person.

E. Disclosure. The Licensee has not intentionally and knowingly withheld any material information from COSADC that would cause any of the forgoing representations and warranties to be untrue or misleading as stated.

Section 2. Survival. The Representations and Warranties above, shall survive the termination of this Agreement, and Licensee agrees to notify COSADC promptly if, at time in the future, such Representations and Warranties are no longer accurate or require updated information so as to not be misleading as stated on the date of this Agreement.

ARTICLE VIII INDEMNITY

Section 1. Indemnity for Premises. COSADC shall not be liable to Licensee's invitees, licensees guests, employees, agents, servants, suppliers, customers, or other persons upon the Premises for (i) any personal injuries or damage to property caused by defects, disrepair, or faulty construction of the Premises; or (ii) personal injuries, property damage, or loss from theft, vandalism, fire, wind, water, hurricane, rain, explosion, or other causes whatsoever, **IN BOTH CASES, INCLUDING LOSSES WHICH ARE THE RESULT OF NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR CONCURRENT NEGLIGENCE OF COSADC**; however, nothing herein shall relieve COSADC of liability for gross negligence or willful misconduct. Licensee shall indemnify and hold COSADC harmless from and against any and all claims for damages to the Premises or other property or personal injury arising from Licensee's use or occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Licensee in or about the Premises.

Section 2. Indemnity for Licensee's Activities. Licensee shall indemnify and hold COSADC harmless of, from and against any and all liability to third parties, including any governmental authority, entity or court, if such liability concerns, relates to, or arises out of any operations at the Premises by Licensee, including but not limited to operations which result in any violation or exposure, under any environmental law, regulation, or ordinance; including, but not limited to, the release or discharge into the environment, or disposal of, materials or other substances at or in connection with the Premises. Further, Licensee shall indemnify and hold COSADC harmless of, from

and against any and all liability to third parties, including any governmental authority, entity or court, which results from the breach by Licensee of this Agreement.

Section 3. COSADC Insurance. Licensee acknowledges notification that COSADC's insurance does not insure Licensee against loss of personal property on the Premises due to fire, theft, vandalism, or other casualties or causes, and Licensee hereby waives any right of subrogation under such insurance. Licensee is responsible for obtaining insurance in such amounts as Licensee may desire on Licensee's own property and for Licensee's operations at and use of the Premises.

Section 4. Costs and Attorney Fees. In the event it is necessary for COSADC to retain an attorney to enforce any of the terms, provisions, or covenants contained herein, including retaining an attorney to represent COSADC in any proceeding in which Licensee has agreed to indemnify COSADC pursuant to this Article VIII, in addition to all other sums payable by Licensee hereunder, Licensee agrees to pay COSADC's reasonable attorney's fees and other costs.

Section 5. Success or Failure of Licensee's Business. Licensee specifically recognizes and acknowledges that the business venture to be undertaken by Licensee on the Premises as part of the Program depends upon the ability of Licensee as an independent business person, as well as other factors, such as market and economic conditions, beyond the control of COSADC and Licensee. Licensee acknowledges that success or failure of Licensee's business enterprise will depend solely on the business acumen and diligence of Licensee. Licensee agrees that success or failure of Licensee's business will not depend on COSADC's performance under this Agreement or as administrator the Program, and COSADC makes no representation or warranties as to the success of Licensee's business.

ARTICLE IX MISCELLANEOUS

Section 1. Notices. Any notice required or permitted hereunder shall be in writing and may be delivered in person or shall be deemed delivered, whether actually received or not, when deposited in the United States Mail, postage prepaid, by registered or certified mail, returned receipt requested, or transmitted via facsimile machine with delivery confirmation addressed to the parties as follows (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

A. To COSADC:
69 N. Chadbourne
San Angelo, TX. 76903
Phone: (325) 653-7197
guy.andrews@cosatx.us
ATTN: Guy Andrews

B. To Licensee: Kimberly Henry
The GOLD Beacon, PLLC

69 N. Chadbourne
San Angelo, TX. 76903
kim@thegoldbeacon.com
(864) 387-0585

Section 2. NON-DISCRIMINATION. COSADC AND THE LICENSEE REPRESENT THAT ENTRY INTO THE PROGRAM IS OFFERED TO ALL APPLICANTS ON A NON-DISCRIMINATORY BASIS, WITHOUT REGARD TO RACE, ETHNICITY, COLOR, RELIGION, SEX, FAMILY STATUS, HANDICAP, OR NATIONAL ORIGIN, IN ACCORDANCE WITH APPLICABLE LAWS.

Section 3. Binding Effect and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of COSADC and Licensee. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any person or entity not a party to this Agreement except as expressly provided herein. Licensee shall not assign all or any portion of its rights under this Agreement without the prior written consent of COSADC. Any such attempted assignment shall have no force or effect and will not operate to relieve Licensee of any of its obligations under this Agreement.

Section 4. Applicable Law and Venue. This Agreement shall be construed in accordance with the laws of the State of Texas without regard to the rules regarding conflict of laws thereof, and exclusive venue to enforce this Agreement shall lie in Tom Green County, Texas.

Section 5. Relationship of COSADC to Licensee. The Licensee shall not use any trademark, service mark or trade name of the COSADC, nor shall Licensee hold itself out as having any specific business affiliation with the COSADC other than Licensee's status as a participant in the Program without having specific written permission to do so from the COSADC. All references by the Licensee to COSADC or to the Program shall exclude any other name, program or mark of the COSADC.

Section 6. Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto) represents the entire understanding and agreement among the parties with respect to the subject matter of this Agreement and, except as expressly provided elsewhere in this Agreement, can only be amended, supplemented or changed, or any provision hereof waived, by written instrument making specific reference to this Agreement and signed by the parties to this Agreement.

No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are exclusive of any other remedies provided by law. Acceptance of any partial payment from Licensee will not waive COSADC's right to pursue Licensee

for any remaining balance due nor shall any endorsement or statement on any check or any letter which acknowledges a check or payment be deemed an accord and satisfaction.

Section 7. Severability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in full force and effect.

Section 8. Subordination. Licensee agrees that this Agreement and Licensee's interest in this Agreement and license of the Premises, shall, at COSADC's option, be subordinated to and secondary to any mortgage, deed of trust or other method of financing or refinancing now or hereafter placed on the COSADC Site and/or the Premises.

Section 9. Further Assurances. COSADC and the Licensee each agree to execute and deliver such other documents or agreements, as may be necessary or desirable, for the implementation or enforcement of this Agreement.

THIS AGREEMENT IS A VALID BINDING LEGAL DOCUMENT. IF LICENSEE DOES NOT UNDERSTAND THE EFFECT OF THIS AGREEMENT OR ANY PROVISION HEREOF, LICENSEE IS ADVISED TO SEEK COMPETENT LEGAL ADVICE FROM AN ATTORNEY OF LICENSEE'S CHOICE.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date listed above.

City of San Angelo Development Corporation:

Max Puello, President

ATTEST:

Nora Nevarez, Secretary

Licensee: The GOLD Beacon, PLLC

Kimberly Hunt, CEO

Approved as to Content:

Guy Andrews, Economic Development Director

Approved as to Form:

Brandon Dyson, Deputy City Attorney

EXHIBIT A

PERSONALIZED INCUBATOR PROGRAM PERFORMANCE

Setting performance benchmarks, and ensuring that clients meet them, helps incubation programs provide appropriate client assistance and keeps companies on track for graduation. Clients that fail to meet established benchmarks may face consequences that include eviction. Clients that consistently fail to meet the agreed-upon benchmarks are in default of the License Agreement and the COSADC can terminate use of space.

1. Program requirements with time frames for completion:

- A. Licensee to develop, in conjunction with the ASU Small Business Development Center, and COSADC Staff Representative, a comprehensive employment manual by **end of first year**.
- B. Licensee to develop a business plan or a comprehensive marketing plan by **end of first year**.

2. Reporting Requirements:

- A. Licensee to report to COSADC quarter activity in a formal Business Factory Advisory Panel meeting.
- B. Licensee to report to COSADC on job creation and aggregate sales in written format to be submitted to the COSADC Executive Director.
- C. Licensee to provide summary financial statements, specifically a Balance Sheet and Profit & Loss Statement upon request by COSADC.
- D. Licensee to report substantial changes in cash flow projections in the form of a pro forma statement upon request by COSADC.

3. Projected Performance Benchmarks:

- A. In first year, Licensee to achieve projected gross sales of \$____ by (Six months from move-in date) and achieve projected gross sales of \$____ by (Remaining six months 07/31/2023).
- B. In remaining years, Licensee to report achieved gross payroll of \$____ by (Six months from move-in date) and achieve projected gross payroll of \$____ by (Remaining six months 07/31/2023). Renewed annually during 4th quarter report.
- C. Licensee to create ____ Full time jobs and ____ Part –time jobs. Renewed annually during 4th quarter report.

4. Graduation Criteria

- A. Licensee will have achieved projected \$____ in annual sales.
- B. Licensee will have created ____ full-time permanent jobs, with an average annual salary of \$_____.

EXHIBIT B

LIST OF PROGRAM SERVICES

The following services are provided upon the conditions stated below, free of cost to Licensee, as a grant.

1. Central waiting area for Licensee's visitors.
2. Common/shared break room; use of microwave, refrigerator (food to be removed weekly), and coffee maker. Coffee and condiments to be furnished by Licensee.
3. Limited janitorial services. Services are provided twice per week (Tuesday & Friday).
4. All utilities included (electricity, gas, water & sewer, and water deliver are included).
5. Three conferences rooms. Contact appropriate representative for availability.
6. Notary onsite.
7. Building security and cameras located within the building and parking lot.
8. Parking for Licensee's employees and visitors. All parking spaces are on a first-come, first-served basis.
9. On-site counseling and a list of professional services is available to Licensee by appointment with ASU Small Business Development Center (SBDC). Attending appropriate seminars provided by ASU SBDC is strongly encouraged.
10. Assistance with procurement of professional services. Providers of such services may or may not require payment of fees. Any and all such fees will be responsibility of Licensee.
11. The COSADC staff will accept and sign for USPS and courier deliveries; however, acceptance and handling of COD deliveries must be arranged on an individual basis. COSADC will not receive or be responsible for receipt of shipments from common carriers.

Mailing address: 69 N. Chadbourne St.
San Angelo, TX. 76903

12. Licensee business name signage on door and/or directories.

13. One manager's desk and desk chair will be provided in the base lease fee for each exclusive office leased. Additional desks and/or chairs are available to Licensees at monthly rental rate of \$15 per desk and \$5 per chair.
14. Personal office supplies are Licensee responsibility.
15. All Licensee will receive door access cards to enter into building before and after hours.

DRAFT

EXHIBIT C

LIST OF FEE-BASED SERVICES

The following services will be provided according to the fee schedule and conditions described below. The Licensee shall promptly pay the COSADC in advance, at the time set forth in Article III, Section 2, without demand, offset, or deduction, a monthly service fee of **\$175.00**. If the services below show additional amounts, these amounts will be charged above the stated monthly service fee.

1. Business Resource Center Conference Room: 1st year no charge to use this area only, 2nd year – Licensee will be charged the following: short term use (2 hour minimum) as available, for internal staff meetings and/or presentations. Licensee must reserve conference room 24 hours in advance, using reservation system required by COSADC Staff Representative. Longer time frames or additional time, will require COSADC Staff Representative approval. Meals may be served. Room must be left clean, trash removed, furniture/chairs returned to normal placement. Use AFTER regular business hours requires COSADC Staff Representative Pre-approval.
2. Business Resource Center, Training Room: 1st year no charge to use this area only, 2nd year – Licensee will be charged the following: short term use (2 hour minimum) as available, for internal staff meetings and/or presentations. Licensee must reserve the training room 24 hours in advance, using reservation system required by ASU SBDC Staff. Longer time frames or additional time, will require COSADC Staff Representative Approval. Meals may be served. Room must be left clean, trash removed, furniture/chairs returned to normal placement. Use AFTER regular business hours requires COSADC Staff Representative Pre-approval.
3. Business Resource Center, Suite Room 220: 1st year no charge to use this area only, 2nd year – Licensee will be charged the following: short term use (2 hour minimum) as available, for internal staff meetings and/or presentations. Licensee must reserve conference room 24 hours in advance, using reservation system required by COSADC Staff Representative. Longer time frames or additional time, will require COSADC Staff Representative Approval. Meals may be served. Room must be left clean, trash removed, furniture/chairs returned to normal placement. Use AFTER regular business hours requires COSADC Staff Representative Pre-approval.

THERE WILL BE A CHARGE TO ANY INCUBATOR CLIENT USING CONFERENCE ROOM, TRAINING ROOM, AND SUITE ROOM FOR ANY EVENTS WHICH ARE REVENUE GENERATED.

4. Telephone service – COSADC will make available one telephone line per Licensee, and one telephone unit for each exclusive office lease. Licensee will pay all monthly telephone line charges and all other telephone charges – long distance,

- local, and special service charges. Two additional phone lines can be made available to Licensee; however, installation and all charges will be Licensee's responsibility.
5. A common fax/modem line is available for use by all COSADC Licensees. Licensee will not be billed for local faxes or incoming faxes. Long distance faxes sent by Licensee will be charged back to Licensee at rate on COSADC bill. Fax line: (325) 657-7187
 6. Use of full color copy machine with the following allocated amounts;
 - Up to 250 copies per month. (Black ink only)
 - Additional copies will be billed at prevailing rate of \$0.10 per copy.
 - Color copy images are billed at \$0.08 cents. Costs will be billed monthly to Licensee. *(Revised, 10-30-15 – New copier)*
 - 8.5 x 11 copy paper is provided. Licensee will furnish paper for all sizes other than standard 8.5 x 11.
 7. Network Access: (More than one connection) A charge of \$15 per month will be accessed for each additional connection to the printer and internet access.

ACCESS TO THE IT NETWORK WILL REQUIRE STRICT ABIDING OF PROVIDER POLICY TO PROTECT THE INTEGRITY OF THE SECURE SYSTEM.

Additional IT services are available to assist in your growing needs. Such services include email group exchange and Cloud storage of data.

8. It is the Licensee responsibility to report lost and/or damage access door card. A replacement charge of \$2.75 will be billed.
9. Should Licensee activate the Business Resource Center security alarm system, Licensee will be charged a \$75.00 false alarm trip charge.
10. All offices leased are accommodated with one manager's desk, chair, bookcase and chairs for guest. (Should licensee need additional furniture, please contact staff.)

**EXHIBIT D
LICENSEE
PREMISES FLOOR PLAN**

Attached is the Floor Plan for purposes of this Agreement. This Floor Plan remains subject to change pursuant to Article IV, Section 2.

EXHIBIT E
LICENSEE APPLICATION FOR ENTRY

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving a sponsorship for ASU SBDC, Meet the Lender Luncheon in an amount not to exceed \$500 and authorizing the Board President or their designee to execute all necessary documents (Guy Andrews)

Summary/History:

ASU Small Business Development Center will be hosting the Meet the Lenders Luncheon. This event will be held on October 4, 2022.

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Guy Andrews

Approvals/Reviews:

Nora Nevarez

Tina Dierschke

Brandon Dyson

Guy Andrews

Created/Initiated

Approved

Approved

Final Approval

Requestor: Bob Salas, Neighborhood Services Director, Neighborhood and Family Services, 325-655-0824

Meeting Date: July 27, 2022

Item type: Consent Item

Caption:

Consider approving updated guidelines for the Affordable Housing Assistance Program (AHAP) to reflect an increase of gap financing to \$50K as approved by the Board and ratified by City Council.

Summary/History:

On January 26, 2022 the Board approved an increase for the gap financing under the Affordable Housing Assistance Program (AHAP) from \$40,000.00 to \$50,000.00 to cover increased construction costs. Subsequently, City Council ratified the increase on February 8, 2022. Staff has updated the guidelines to reflect the change and is requesting approval.

Financial Impact:

While no impact to the overall annual AHAP allocation, each project will be allocated up to \$50K in gap financing.

Other Information/Recommendation:

Attachments:

- | | | |
|----|------------------------|----------------------------|
| 1. | AHAP Guidelines - 2022 | AHAP Guidelines - 2022.pdf |
|----|------------------------|----------------------------|

Presentation:

Approvals/Reviews:

Bob Salas	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval



**POLICIES AND PROCEDURES
FOR
SINGLE FAMILY NEW CONSTRUCTION
AFFORDABLE HOUSING ASSISTANCE PROGRAM
(AHAP) CITY OF SAN ANGELO
DEVELOPMENT CORPORATION**

Updated July 27, 2022

SINGLE FAMILY NEW CONSTRUCTION

AFFORDABLE HOUSING ASSISTANCE PROGRAM (AHAP)

1. Introduction and Purpose

The purposes of the City of San Angelo Development Corporation (COSADC) Single Family New Construction Homebuyer Assistance Program is as follows: 1) to increase home ownership in City of San Angelo identified neighborhoods targeted for revitalization; 2) to assist low to moderate income households with home purchases; and 3) to leverage private funds for these purposes with Federal and nonfederal grant funds. It is the goal of the Program to serve the maximum number of households within the approved annual allocation from COSADC (1/2 Cent Sales Tax) funding. Participants in the Program are as follows:

City of San Angelo Community & Housing Support Division (City Staff)
Income -Eligible Applicants
Preferred Lenders
Participating Non- Profit/For -Profit Contractors
Other Entities Providing/Encouraging Affordable Housing Development

The policies and procedures set forth herein are subject to approval and revision by the COSADC Board and City Staff responsible for administering the program. City Staff and approved program verifying non- profit organizations (with City Staff review) will determine income eligibility for grants and loans provided under the COSADC's Single Family New Construction AHAP.

Approved program verifying non- profit organizations may include additional requirements beyond the minimum requirements of these guidelines. Those additional program requirements, such as sweat equity, participation in IDA match savings and additional homebuyer education classes will be reviewed and approved by the Community Housing Support Division Manager.

2. Authority for Program / Administration of Program

- Program funded primarily by the economic development sales tax authorized under The Development Corporation Act of 1979, (the Act) as amended.
- Affordable housing is an eligible activity under the Act, and was approved by the voters in an election on September 11, 2004.
- COSADC's approved annual allocation for this program is \$335,000 subject to funding stream of sales tax receipts.
- COSADC is responsible for funding recommendations and community relations issues

- City Staff is responsible for oversight, and implementation of policies and procedures that have been reviewed and recommended by COSADC Board and adopted by formal resolution of the Board of the COSADC .

3. Types of Assistance

- Gap reduction/mortgage buy down up to \$**50,000** contingent upon the execution of a deferred, non-interest bearing 2ndLien Deed of Trust and Promissory Note due at the time the subject property is sold, proceeds from which will be used as reinvestment back into the Program.
- Deferred loan for the gap financing amount will be forgivable starting in year five (5) and extend thru the life of the mortgage and forgiven monthly thereafter in equal amounts.
- Required closing costs (if down payment assistance is unavailable from other sources).
- Purchase of lot, not to exceed \$5,000.00 which can include demolition of existing structures.

4. Eligible Applicants

- Applicants must reside in the City of San Angelo for a minimum of one year, or be currently employed with a local San Angelo business, the City of San Angelo, Tom Green County, or the San Angelo Independent School District for a minimum of one year.
- Applicant's gross annual household income may not exceed current income limits for low to moderate income households, as established and periodically revised by the U.S. Department of Housing & Urban Development (HUD). This is defined as households with incomes not to exceed 80% of the Area Median Income, adjusted for family sizes (24 CFR, §92.2 (9)).
- Applicants must be U.S. Citizens or permanent legal residents.
- Verification of homeowner's insurance, paid property taxes and homestead is required annually for the entire term the applicant resides at the property after closing is complete.
- An applicant, and co -applicant (if applicable), must be an individual who has not purchased real property within three (3) years prior of submitting an application for this Program. Co -applicants are defined as spouses and adult co-habitants.
- Income is calculated based on HUD-established procedures for calculating adjusted annual gross income (24 CFR, Subpart E §92.203).
- Applicants must provide a minimum of \$**500** in Earnest Money and/or contribution of time and effort (i.e. sweat equity) toward the purchase of their home. Sweat equity programs must be approved by staff and requires appropriate monitoring and verification as defined by staff.
- Each applicant must attend and complete a staff approved Homebuyer Education program prior to purchase of a home.
- Applicants will be served on a first -come -first-served basis, as funding allows, with minimum mortgage pre-approval qualification of \$**60,000** minimum. Homebuyers will be required to qualify for amounts to cover the higher sales price. However, debt -to-income ratios identified later in this document will still apply.

- Willing to relocate to one of the six (6) neighborhoods targeted for revitalization (see APPENDIX A).
- Must sign and submit to City Staff or organization approved for client processing a signed acknowledgement form that he/she has read the Program Policies and understands all his/his rights and responsibilities under the program.
- Applicants will be served as they become Bank Qualified and Income/Program Verified. The later date of either the bank qualification letter/Good Faith Estimate (GFE) and their completed Income/Program Verification shall be used to determine the order that they shall be served. The date of the first bank qualification letter/GFE and completed Income/Program Verification letter shall continue to be used for determining order even as the applicant must recertify every six months while waiting for AHAP buy-down funding approval.

5. Preferred Lenders – Mortgage Companies, Banks, and Other Financial Institutions

- A “Preferred Lender” is defined as a mortgage Lender partnering with the COSADC to promote and support the COSADC Single Family AHAP and which has been selected by an applicant.
- Applicants must apply for mortgage financing with one of the Lenders from the COSADC Preferred Lenders list or from a financial institution willing to become a Preferred Lender
- Owner finance options do not qualify as “Preferred Lenders”

6. To participate as a preferred Lender, the Lender must meet the following criteria:

- Agree to waive 10% of standard fees. The list of standard fees eligible to be considered for this waiver is subject to review and approval by the COSADC .
- “Sub-prime” loans will not be approved.
- Mortgage brokers will be required to waive 10% of their Origination Fee.
- Lend to low and/or moderate -income families.
- Agree to participate in the marketing of the COSADC’s Single Family New Construction Homebuyer Assistance Program
- Agree to pre- approve applicants before the prospective homebuyer can be fully eligible for the COSADC Mortgage buy down assistance and City’s down payment assistance and supply the applicants with a pre-approval letter.
- Lender agrees to contact the City Staff 30-60 days after an applicant becomes delinquent to the extent of becoming a possible foreclosure in order to pursue curable action.
- Any federally or state chartered financial institution may apply at any time to be on the COSADC ’s list of preferred Lenders.
- Must provide closing notification to staff at least three (3) workdays prior to closing to provide staff time to obtain payment information and secure funding for the project.
- Provide Homebuyer Education classes (in house) or through an approved third party.
- Establish an escrow account.
- Preferred Lenders will be expected to commit to these provisions in writing.

7. Lender Underwriting Guidelines:

- Payment -to-Income and Debt -to-Income Ratios not to exceed those established by the Federal Housing Administration (FHA) benchmarks.
- Collateral–Newly constructed or to be constructed house which meets or exceeds program minimum standards.
- \$500.00 minimum down payment (earnest money and/or sweat equity) from borrower.
- Minimum loan term– 20 years; 30 years preferable.
- Maximum Loan to Value Ratio –100% inclusive of City of San Angelo second mortgage loan
- Fixed Interest Rate comparable to current FHA 203(b) fixed rates adjusted for similar term, amount, and credit quality.

8. Homebuyer Education

- Homebuyers are required to take a homebuyers education class. City Staff accepts an online class at www.homebuyerfunds.com. Client must pass exam and submit certificate to staff prior to closing.

9. Role of the Title Company

- Title Company is to close the loan on behalf of the Lender and homebuyer.
- Title Company provides City Staff with a HUD1 form (a list of buyers and sellers fees) 5 business days prior to closing the loan.
- City submits a check for the gap reduction/mortgage buy down and closing costs to the Title Company.

10. Eligible Properties and Inspections

- Eligible properties are newly constructed single-family homes financed through this Program and located within the neighborhoods targeted for revitalization as determined by City Staff.
- Single-family homes whose sale price to the buyer does not exceed **95%** of the area purchase price for single-family homes as established by HUD for the San Angelo area.
- Property must meet all inspections as specified by City Staff.
- Houses must meet minimum construction standards and specifications as set forth in APPENDIX B and all applicable City building codes.

11. Legal Documents

The City of San Angelo's Legal Department or designated outside counsel will review as to form all legal documents related to the sale of homes under this single family Homebuyers Assistance Program at least annually. Applicants are required to sign a Real Estate Lien Note and Deed of Trust document before release of funds to the Title Company. Legal documents to include Deed of Trust will reflect the following:

- Recapture provisions where the non- forgiven portion of the note will be repaid upon the sale of the housing unit.
- Deferred forgivable loan starting with the first month of the SIXTH (6th) year, and forgiven in a set amount each month for the remaining life of the mortgage. (The monthly amount to be forgiven beginning with the 61st month is calculated by multiplying the total sum then due on the note, not to exceed the original principal sum, by a fraction having a numerator of 1 and a denominator equal to the number of months left on the note).
- Allow COSADC to “cure” in cases where the client/borrower chooses to sell the home while having a portion of the note outstanding and un-forgiven. The right to cure will be preserved by execution of a “right of first refusal” by the client/borrower at closing. To exercise the right, COSADC would be required to “match” the sum and terms of a legitimate written offer of purchase made by a ready, willing and able potential buyer. COSADC would bid in the un- forgiven portion of the note, plus pay off the remaining balance of the bank note, and pay to the client any amount by which the offered purchase price exceeds the sum thereof. (The client will get the benefit of his/her equity in the property in the case of a voluntary sale.)

12. Variance from Homebuyer Assistance Program Policies and Procedures

Variances from these policies and procedures may be authorized by the Community & Housing Support Division Manager and shall only be granted under extraordinary extenuating circumstances and upon recommendation from the COSADC. Applicants or other program participants requesting such a variance must make a written request, providing a full explanation and description of the circumstances justifying the variance.

13. Rights and Responsibilities of the Applicant

- Submitting all information required to document eligibility for the program within a period of 30 days.
- Get pre -approved by a preferred lender.
- Reviewing, executing, and understanding the grant agreement, deed of trust, and associated documents.
- Notifying City Staff and approved program verifying non-profit organizations of any concerns and/or questions during the application process and homebuyer education period.
- Attending the mandatory homebuyer education classes.
- Keep in contact with their builder to keep abreast of the construction process.
- Support the City Staff in obtaining closing documents identified in the HUD-1.
- Work with builder to minimize the cost to the City.
- Agree to an escrow account to pay for annual taxes and insurance costs.
- Work with the builder in selection a lot, floor plan and acceptable sales price of their home. (If the applicant can't come to agreement with the assigned builder within 60

days, the applicant will be assigned the next builder from the qualified builders' list.

14. Grievance Procedures

If an application is denied, the applicant will be informed of his or her right to present an appeal and the timeframe to do so. An appeal must be made in writing and submitted to the Community & Housing Support Division Manager within 30 calendar days of the date the applicant is informed of the denial. The appeal will be presented first to the COSA Economic Development Director and may then be forwarded to the City Manager whose decision is final.

15. Role of Participating Organizations

Financial institutions, non-profit housing organizations, community development corporations, or redevelopment agencies acting on behalf of COSADC to administer an AHAP will be expected to conduct operations in a manner which is consistent with these guidelines. Though amounts of assistance, target client populations, and administrative procedures may vary, the following provisions in particular should be consistent with COSADC policy:

- 1) Income verification requirements.
- 2) First-come -first-served basis after clients have been approved by the bank and are income eligible. If clients are vetted and funds are no longer available for the fiscal year, they will be placed on a waiting list based on approval date and funded in the next fiscal year.
- 3) Requirement of fee waivers from participating Lenders.
- 4) Homebuyer education requirements.
- 5) San Angelo residency requirements.
- 6) Sale Price purchase limitations (95% of median sales price).
- 7) Retention of records (for all applicant households whether denied or approved) for a period of five years.

16. Rights and Responsibilities of Participating Organizations and City Staff

- Administering the program in a professional manner that ensures maximum effectiveness, efficiency and customer satisfaction.
- Timely communications with the applicant, title company, Lender and City Staff regarding all administrative procedures that affect completion of the purchase on behalf of the applicant.
- Determine eligibility of applicants to attend the classes.
- Advising the applicant regarding lending requirements.
- Clarifying with the applicant the advisability and eligibility of certain fees and/or charges.

17. Builders/Developers/Contractors

Local builders/developers/contractors (hereafter referred to as builder) interested in participating will need to contact the Community & Housing Support (CHS) Division and obtain an application. Once the application has been received, Staff will vet the application for past performance and current capacity and then make an approval determination with an

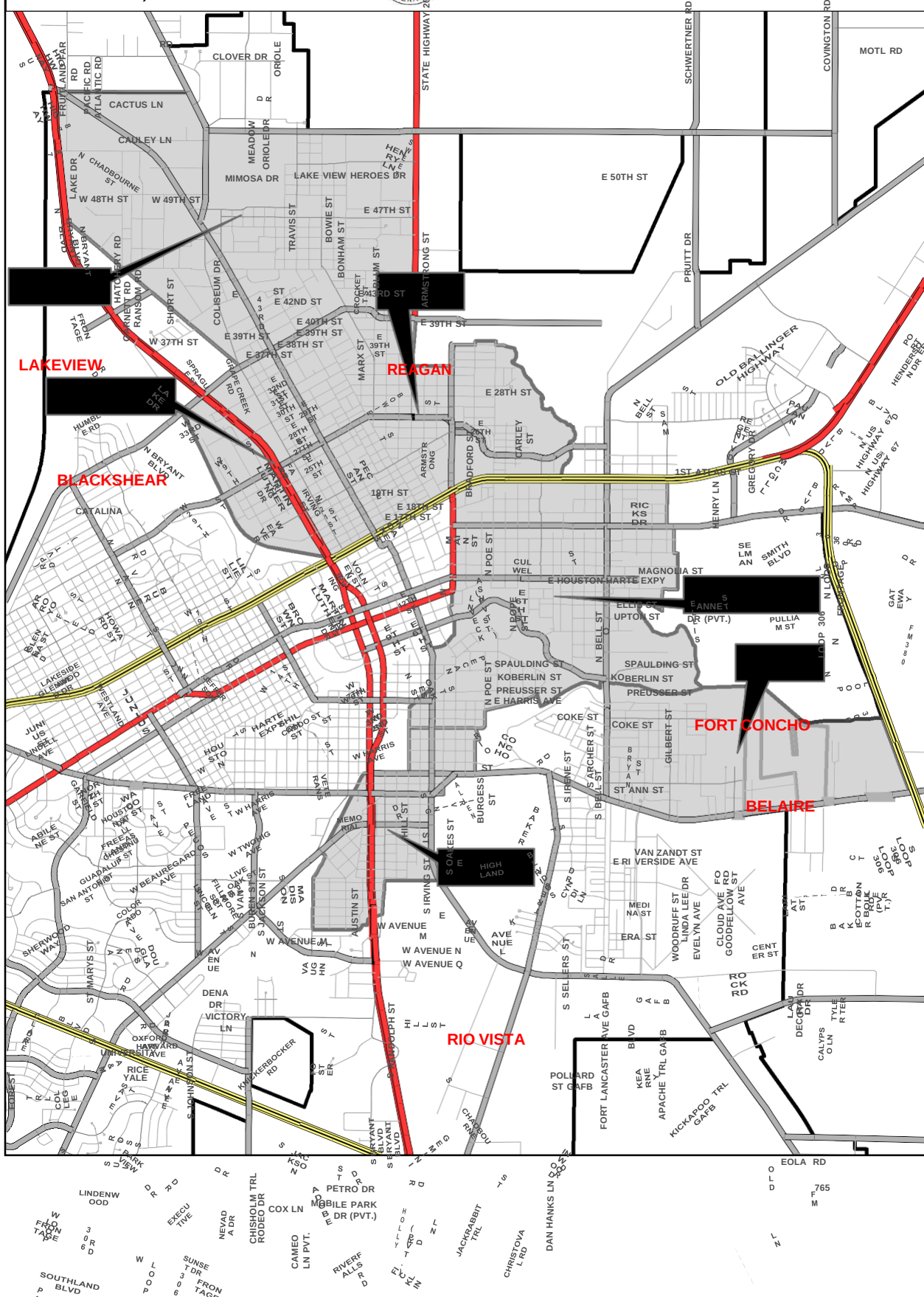
accompanying letter from the CHS Manager. If disapproved, builder may appeal to the COSADC Board. In order to support the local economy, builders from outside the city limits will not be approved to participate in the program. Other considerations for approved builders:

- Must obtain interim financing for the construction of the unit.
- Can either build at risk (i.e. build the unit without a qualified homebuyer at hand) or wait until a qualified homebuyer is identified by City Staff.
- When building with an identified qualified homebuyer, a construction agreement between the homebuyer and builder must be executed. City Staff will mediate the agreement.
- Must purchase the proposed lot prior to commencing construction.
- Must obtain an initial survey and final survey.
- Upon completion must notify the bank to order a final appraisal (cost to be covered by COSADC at closing.)

18. Special Provisions

- In cases where the builder has completed the construction of the home and the client becomes ineligible for a mortgage, COSADC agrees to purchase the property if a qualified client cannot be identified within 60 days from the issuance of the Certificate of Occupancy. The purchase price cannot exceed 95% of the agreed upon sales price.
- In order of date of qualification, clients on the City's and approved program verifying non-profit organization's waiting list will be given the opportunity to purchase the home. Choosing not to purchase the home will not affect their position in the waiting list.

1 inch = 5,375 feet



Document Path: Y:\GISFiles\Dept Neighborhood Family Services\Functions\Target Areas CDBG\workarea\2018_Community_Development_Areas.mxd

APPENDIX B

CITY OF SAN ANGELO DEVELOPMENT CORPORATION HOMEBUYER ASSISTANCE PROGRAM:

SINGLE FAMILY HOME CONSTRUCTION STANDARDS AND MINIMUM SPECIFICATIONS

Minimum square footage (living): 1,200 Square Feet without including Garage

Garage: One car garage

Minimum No. bedrooms: 3

Minimum No. bath (full): 2 (one of which contains a full size tub)

Exterior materials: Brick or OSB backed Smart Siding

Foundation: Slab on Grade

Roofing materials (warranty): 20 Years

Insulation requirements (exterior walls, roof, etc): Comply with city code (R30 in Attic, R13 on Exterior Walls)

Appliances furnished (energy star rating): Range/Dishwasher/Refrigerator

Driveway: Concrete

Fencing: Wooden in Back Yard

HVAC with 13 SEER or as required by the DOE

All other standard construction requirements as set by city code will apply

** Above Standards Meet or Exceed the Minimum Standards Required by the City's Inspection and Permit Department as well as the energy efficiency standards in accordance with Title 42 U.S.C. 12708*

GENERAL PROCEDURES

The following is an outline of the normal sequence of events for a homebuyer assistance grant/deferred loan. For specifics, see attached Standard Operating Procedures (SOP).

Initial Contact with Potential Homebuyer

- The potential homebuyer inquires about the program through lenders, or Family Support Division, and receives a **Homebuyer's Assistance Packet** from the City Staff.
- The potential homebuyer submits a **Homebuyer Assistance Application** to City Staff, which includes information on income, credit history, social security number, and household size.
- The time and date that the application is received is stamped on all components.
- The applicant is required to furnish documentation to verify income, family size, and any other information necessary to verify eligibility.

Income Verification, Program Approval, and Lender Pre-approval

- City Staff will review the application information to determine income eligibility.
 - If applicant income is greater than 80% of the area median, Staff prepares a letter to the applicant notifying them that they are not eligible for assistance.
 - If applicant income is 80% of the area median or less, an interview will be scheduled with the applicant to verify all information and to thoroughly explain program procedures.
 - Applicants for homebuyer assistance must complete this income eligibility verification phase of the application process within 30 days. Incomplete applications will be returned to the applicant and may not be resubmitted for an additional 60 days.
- Income documents will include:
 - An IRS 1040
 - 3 months current paystubs
 - All income documentation must be current within 6 months of the application date
- City Staff will prepare a program approval letter for the applicant for later submission to their selected Lender.
- If the applicant is income-eligible and approved for the program, applicant contacts a respective Lender to get pre-approved for a minimum \$60K mortgage.
- Lender will provide pre-approval letter and initial Good Faith Estimate.
 - Although the GFE will change based on the actual sales price, an initial GFE provides the Staff critical information to help determine housing and debt to income ratios.
- Applicant returns the pre-approval letter to Family Support for filing.

Match up with Builders

- Staff will create and maintain a rotating list of eligible builders.
- Once approved for the program and pre-approved by the lender, City Staff will facilitate a meeting with the applicant (hereafter referred to as client) and the next eligible builder in order to begin the construction process.
- Builder will provide sales contract and builder and client will execute the contract.

- Sales contracts should include a clause specifying that the house must meet or exceed the construction standards and minimum specifications as set forth in Appendix B, as determined by an inspection by the City of San Angelo Inspection & Permits Division and the Family Support Division in order for the sale to go through.
- Based on the sales contract and amount of mortgage the client is pre-approved for, Staff will determine the amount of gap financing required
 - A letter will be sent to lender, SADC, client, and builder addressing the amount of funds to be committed for the project.
 - Funds will be reserved/committed to the project at this point.
- Client will select eligible lot from list provided by Staff.
- Builder will contact COSA Purchasing Division to begin the lot purchasing process.
- If client provides own lot, ownership documentation (transfer of lien) must be executed prior to start of construction.
 - Client will need to pay \$75 for a title search to ensure the clear title which will be part of the \$500 Earnest Money provided.
- Builder will be required to obtain interim financing.
- Client works with the builder to select appropriate options (colors, flooring, etc).
- Construction begins.

Construction

- Client and Staff will monitor construction quality control
- Upon 90% completion, Staff will initiate closing process
 - Contact the lender
 - Begin gathering required docs (see SOP for specific items)
- At construction completion, Builder will be required to obtain a Certificate of Occupancy
- Staff and Client will walk thru to identify corrections
 - A punch list will be developed and the Builder will be required to address all items on the punch list prior to setting up closing date

Closing

- Staff will coordinate closing with the lender, title company, builder, and client
- Title Company must submit a HUD-1 form to City Staff.
- A City check for the mortgage reduction, down payment and closing costs will be submitted to the Title Company on the closing date.
- A minimum of 3 business days must be allowed for check disbursements by the City.
- The Family Support Division Manager or his/her designee will review legal documents for execution by the homebuyer while the check is being processed.
- City Staff will secure the SADC and/or City's down-payment and mortgage reduction/gap reduction assistance through a second lien on the property.
- Before payment to the title company can be issued, the applicant provides proof of home owner's insurance coverage.
- The borrower will execute a Subordinate Lien Contract and Deed of Trust in the principal sum of the SADC Single Family New Construction Homebuyer Assistance Program Deferred Payment Loan.
- This Loan will bear an interest rate of zero percent (0%). As long as the borrower is not in default with any conditions of this Program or the Subordinate Lien Contract and Deed of Trust, all payments of principal will be deferred. Principal and five percent interest (5%) on unforgiven amount will be due and payable under the following conditions:

- a. Cessation of use as borrower(s) sole residence.
- b. The sale, lease, rental or transfer of Program property.
- c. Death of Borrow(s) unless transferred to a qualifying family member.
- d. Upon refinance of the 1st mortgage unless SADC agrees to subordinate.

Homebuyers Education Class

- Applicants are required to attend Homebuyer Education class at www.homebuyerfunds.com or any other HUD-approved course with City staff approval.
- On-line versions require clients to pass an end of class test by 70% or better.

Record Keeping

- City Staff is responsible for maintaining a database of all prospective applicants, lenders, and builders.
- Records of all applicants to include those households denied assistance, will be maintained on file for 5 years.

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 27, 2022

Item type: Regular Item

Caption:

Update on parks and recreation projects funded by Half Cent Sales Tax (Presentation by Carl White)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Power point provided by Carl White.

Attachments:

1. Parks and Recreation updates summer of 2022 Parks and Recreation updates summer of 2022.pptx

Presentation:

Approvals/Reviews:

Nora Nevarez

Carl White

Brandon Dyson

Guy Andrews

Created/Initiated

Approved

Approved

Final Approval

Parks & Recreation 4B funded projects

Middle Concho Park boat ramp and restrooms improvements (Lake Nasworthy)

Project cost: \$1,037,161

Status: project complete

Improvements included: new 4-lane boat ramp, parking, lighting, sewer line, and restrooms



**boat ramp improvements
at Middle Concho Park,
Lake Nasworthy**



Middle Concho Park boat ramp improvements



Middle Concho Park boat ramp improvements



Middle Concho Park boat ramp improvements



Middle Concho Park boat ramp improvements



Parks & Recreation 4B funded projects

Brentwood Park renovation

Funding:

\$275,000 half-cent sales tax funding

Status: project complete

Improvements included: new playground, new pavilion, new benches and tables, new walkways, irrigation around the common area, refurbishment of the tennis courts, and improved lighting



Brentwood Park

Brentwood Park renovations



Brentwood Park renovations



Brentwood Park renovations



Brentwood Park renovations



Brentwood Park renovations



Brentwood Park renovations



Parks & Recreation 4B funded projects

Unidad Park playground replacement

Funding:

\$6,235 donations via San Angelo Gives campaign

\$175,000 half-cent sales tax funding

\$183,807 Health Foundation grant

Status: project complete

Improvements included: an entirely new playscape for children ages 2-12 (especially for children with limited disabilities), new turf, washer pitching area, new benches and new fall zone area



Unidad Park

Unidad Park playground replacement



Unidad Park playground replacement



Unidad Park playground replacement



Unidad Park playground replacement



Unidad Park playground replacement



Unidad Park playground replacement



Parks & Recreation 4B funded projects

River bank stabilization

Funding:

- \$609,535 allocated by City Council

- \$200,000 half-cent sales tax funding (from original river improvements)

- \$137,299 TCEQ grant

Status: lining up design and permitting

place

Q

**River from downtown
to Bell Street**



**River from downtown
to crossing near
Roosevelt Street**

Parks & Recreation 4B funded projects

Youth sports practice area (old 29th St. sports complex)

Funding:

\$1,566,654 half-cent sales tax funding

Status: won Council's approval to proceed with design at the June 21 Meeting

Proposed improvements include: bridge connecting to Kirby Park, walkways, improved open areas for recreation and sports practice, renovation of baseball field, backstops for 2 practice fields, small restrooms, area and materials for development of BMX track by organization

Notes: property is leased from the U. S. Army Corps of Engineers

Concept plan for renovation of the Youth Sports Practice Area:

- 1 – lower existing hill
- 2 – renovate existing baseball field
- 3 – new covered bleachers
- 4 – keep as practice fields
- 5 – bridge connecting to Kirby Park
- 6 – trail
- 7 – bank stabilization
- 8 – open area, practice fields
- 9 – wildflowers
- 10 – resurface and restripe
- 11 – BMX track
- 12 – possible future HS baseball field
- 13 – possible future Pony baseball field
- 14 – new restrooms
- 15 – possible BMX expansion area



Parks & Recreation 4B funded projects

Fort Concho Visitors' Center

Funding:

\$331,338 half-cent sales tax funding (from original \$1,000,000)

Status: roof on both Barracks 1 and 2 entirely replaced and schematic designs for Visitors' Center and interpretive area completed / next steps are creating construction documents, getting estimates, and raising the additional funds before the project is put out to bid

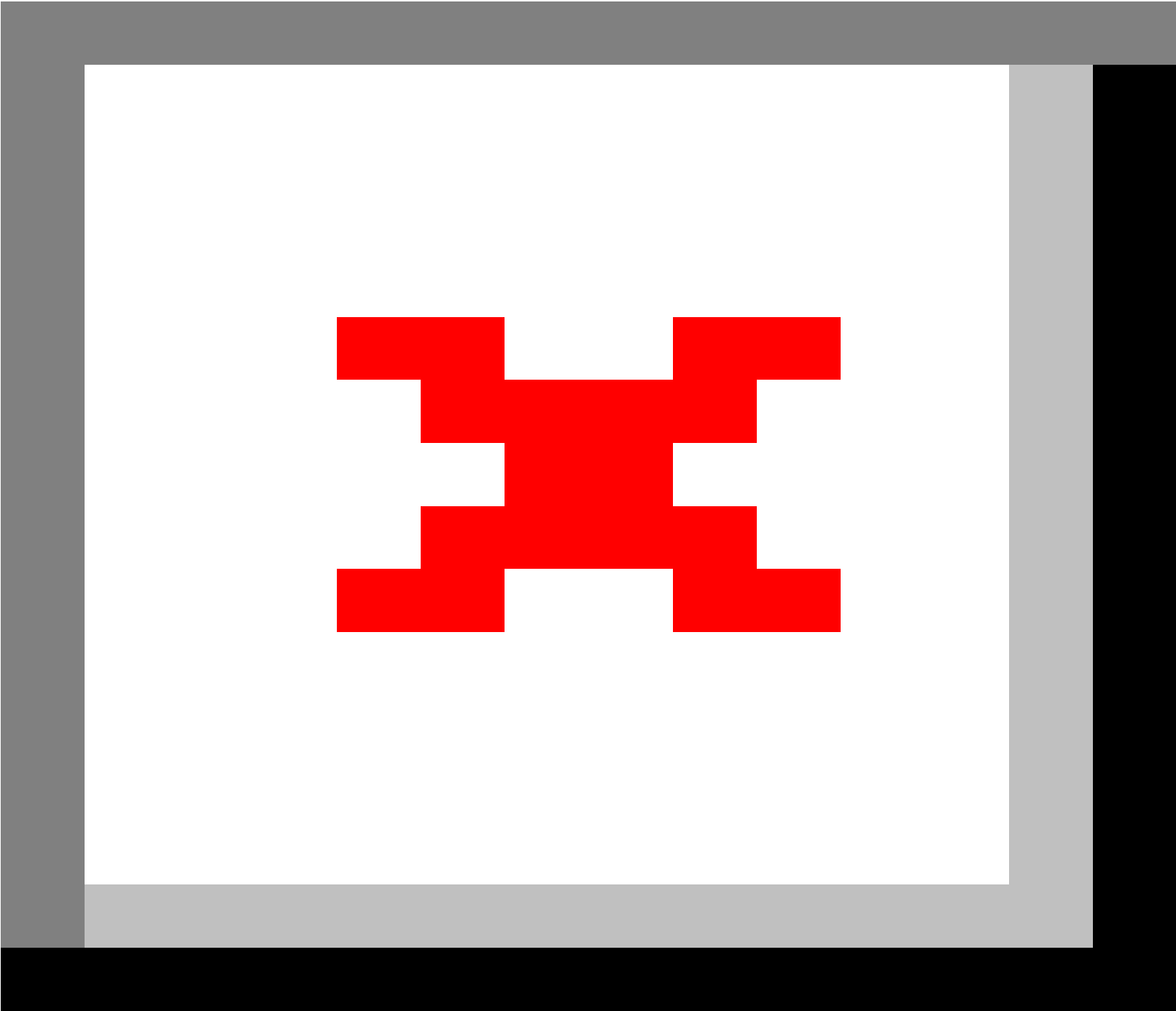
Fort Concho Visitors' Center



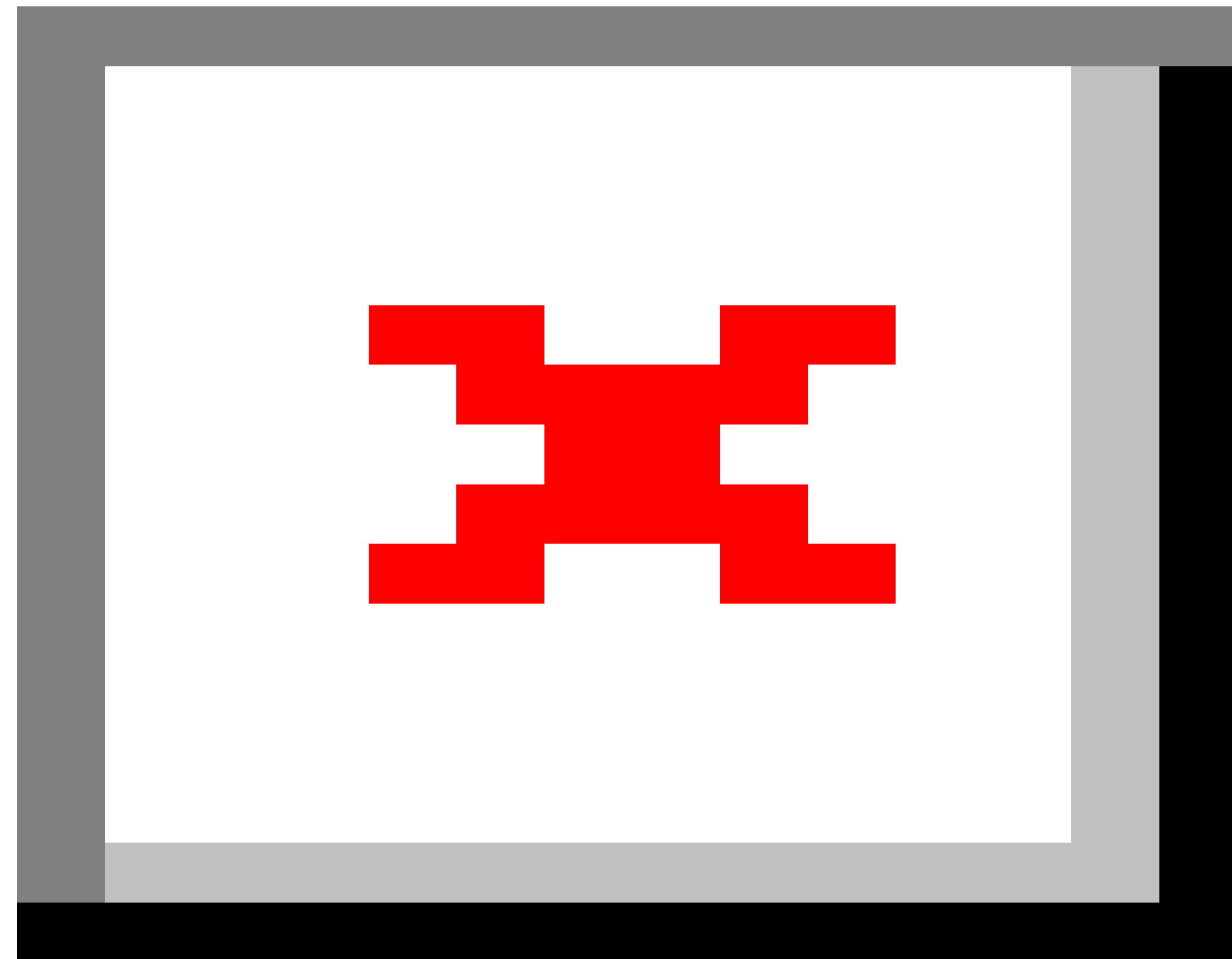
Fort Concho Visitors' Center



Fort Concho Visitors' Center



Fort Concho Visitors' Center



Parks & Recreation 4B funded projects

Sculpture Garden improvements design

Funding:

\$75,000 half-cent sales tax funding

Status: design complete



Parks & Recreation 4B funded projects

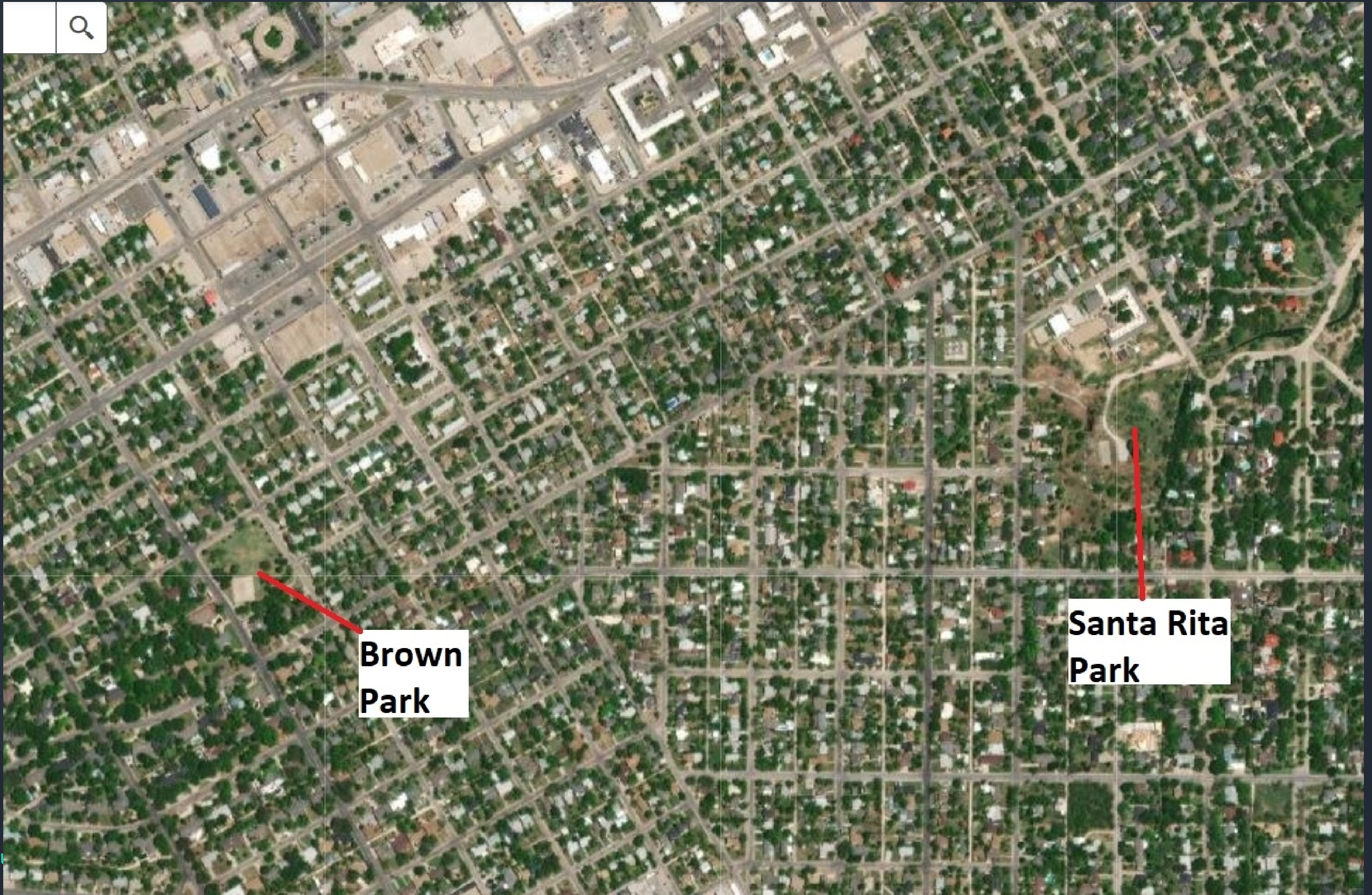
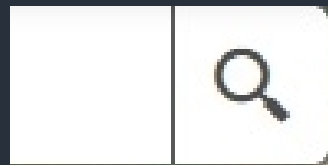
Brown Park renovation

Funding:

\$50,000 half-cent sales tax funding

Status: project will proceed after construction of dog park pavilion and TBSC maintenance storage facility

Proposed improvements include: new small playground, walkway refurbishment, improved picnic area



**Brown
Park**

**Santa Rita
Park**

Brown Park improvements



Parks & Recreation 4B funded projects

Santa Rita Park renovation

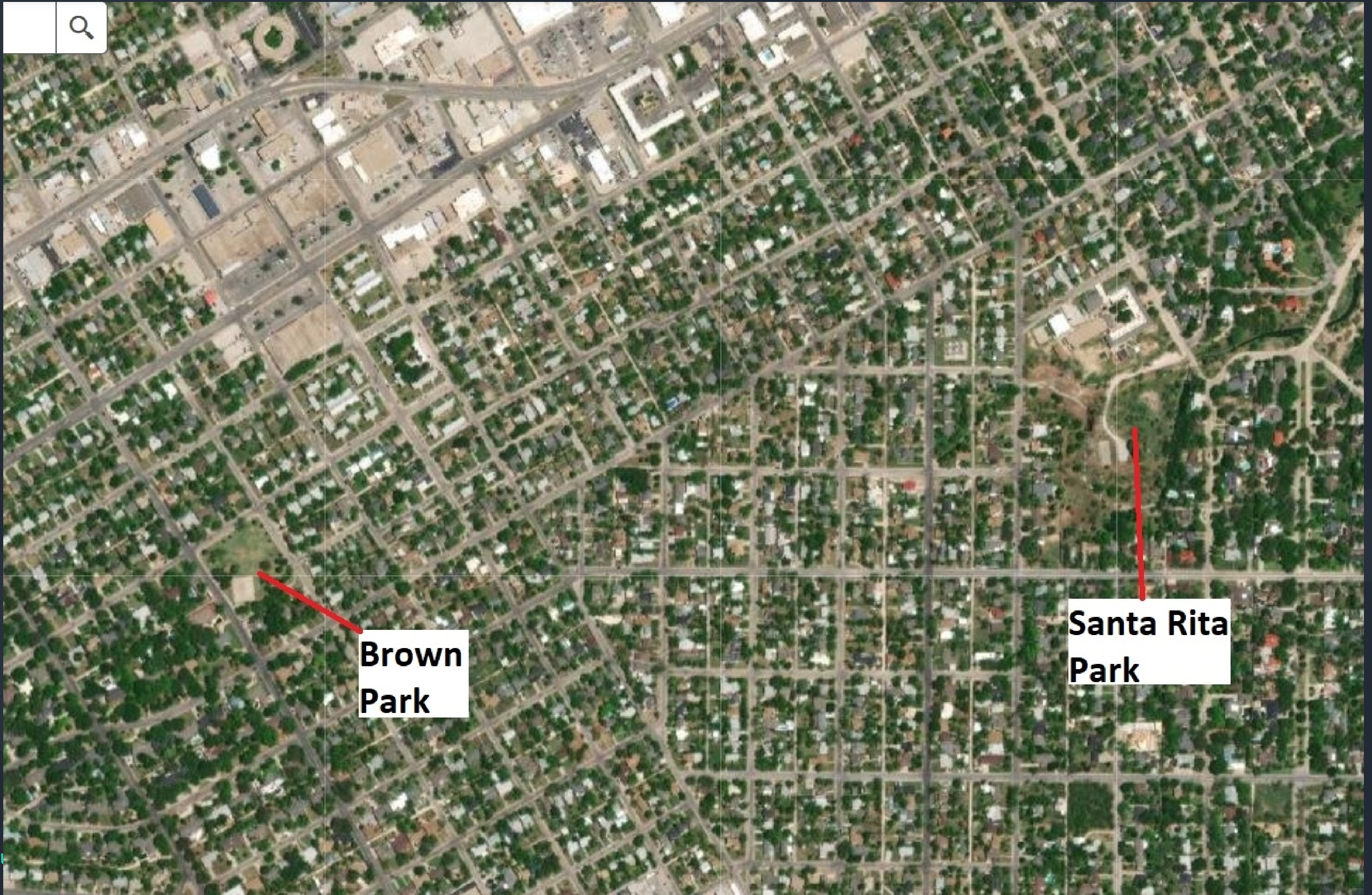
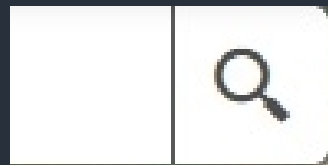
Funding:

\$149,500 half-cent sales tax funding

Status: project will proceed after renovation of Brown Park

Proposed improvements include: walkways, renovation of park drive and parking, renovation of tennis court, improved lighting, irrigation, and other items desired by the neighborhood.

Notes: additional funding through fundraising likely



**Brown
Park**

**Santa Rita
Park**

Santa Rita Park improvements

