



City Council Agenda 12/06/2016

Notice is hereby given of a regular meeting of the City Council of City of San Angelo to be held on December 6, 2016 at 8:30 AM at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas, for the purpose of considering the following agenda items.

1. Call to Order

2. Prayer and Pledge

3. Proclamations/Recognitions

- a. "Buckle Down & Stay Strapped In Week" December 12-19, 2016 to be accepted by Police Chief Frank Carter and SAPD Community Services & Social Media Officer Tracy Gonzalez

4. 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 five minutes. Council members may request that a discussed item be placed on a future agenda. The Council takes public comment on all Regular Agenda items during the discussion of those items.

5. Consent Agenda

- a. Consider approving the November 15, 2016 City Council Regular and November 15, 2016 City Council Special Joint Meeting minutes (B.Kendrick)
- b. Consider awarding WU-01-17 Liquid Ammonium Sulfate to Chameleon Industries in the amount of \$60,000 annually for one (1) year with two (2) additional one (1) year term extensions, budgeted for purchase FY2017, FY2018, and FY2019, and authorizing the City Manager or designee to execute any related documents (A. Strube)
- c. Consider award of RFB SB-01-17 Street Paving Materials to CSA Materials, Inc. and Vulcan Construction Materials in an amount of \$600,000, budgeted annually, and authorizing the City Manager or designee to execute any related documents (P. Hathaway)
- d. Consider approving the proposed Fire Alarm Installation for the auditorium & annex project with Ener-Tel Services, Inc. under the CFM-07-15 contract; in the amount of \$54,940, all to be funded by the project budget; and authorizing the City Manager to execute said contract (D. Knapp)
- e. Consider a resolution authorizing the Mayor, on condition stated, to execute a tax-resale (quitclaim) deed conveying all right, title and interest of the City of San Angelo, Trustee and all other taxing units interested in the tax foreclosure judgment to Mike Gotschall for \$3,000 (C. Preas):
1218 N. Garfield: Lots 24 and 25, Block 44, Forest Park Addition

- f. Consider a resolution authorizing the City Attorney to begin termination of Lake Nasworthy Residential Lot Lease and eviction proceedings for non-payment of annual rent (more than 160 days delinquent) on the following properties (C. Preas):
 - 1. 2562 Sleepy Hollow; Lot 25, Group Fisherman's Road (\$502)
 - 2. 6638 Knickerbocker Road; Lot 114, Group Shady Point (\$461)
- g. Consider approving new Lake Nasworthy residential lot leases with the current tenants of the following properties (C. Preas):
 - 1. 1637 Canal Road; Lot 140, Block 9, Section 2, Group Shady Point
 - 2. 1836 Shady Point Circle Dr.; Lot 29, Block 7, Section 2, Group Shady Point
 - 3. 1838 Shady Point Circle Dr.; Lot 31, Block 7, Section 2, Group Shady Point
 - 4. 1912 Shady Point Circle Dr.; Lot 42, Block 7, Section 2, Group Shady Point
 - 5. 2026 Mermaid Road; Lot 10, Block B, Section 2, Group 2
 - 6. 2041 American Legion Road; Lot 22, Block A, Group 2
 - 7. 2041 Beaty Road; Lot 3, Block 1, Section 1, Group 1
 - 8. 2145 Hillside Dr.; Lot 13, Block 1, Group 2
 - 9. 2550 Sleepy Hollow Rd.; Lot 22, Block 1, Section 1, Group Fishermans Road
 - 10. 2165 Gun Club Road; Lot 10, Group 10
 - 11. 3141 Red Bluff Road; Lot 91, Block 4, Section 4, Group Red Bluff
 - 12. 1850 Shady Point; Lot 36A, Block 7, Section 2, Group Shady Point
 - 13. 2540 Sleepy Hollow; Lot 18, Block 1, Section 1, Group Fisherman's Road
 - 14. 2462 Fisherman's Road; Lot 11, Block 1, Group 14
 - 15. 3330 Middle Concho; Lot 4, Block 4, Section 1, Group Middle Concho
- h. Consider a resolution requesting the members of the 85th Legislative Session of the State of Texas support the passage of legislation for fair distribution of the sporting tax revenue for local and state parks and requiring Texas Recreation and Parks Account funded projects be subject to the competitive scoring system established by the Texas Parks and Wildlife Department, and there is no expenditure related to the passage of this resolution (C. White)
- i. Consider authorizing the City Manager to negotiate and execute an agreement between the City of San Angelo and The Corporation for National and Community Service (AmeriCorps National Civilian Community Corps - NCCC) for a service project (from January 5 to March 31, 2017), and providing in-kind support for lodging that will not result in additional budgeted expenditures (C.White)
- j. Consider approving an agreement with Concho Valley Transit District for the provision of transit services and authorizing the City Manager to negotiate and execute such agreement (M.Chegwidden)
- k. Consider authorizing the expenditure of up to \$10,000 in Tax Increment Reinvestment Zone (TIRZ) funds for the purpose of repair, replacement, and general maintenance of streetscaping along Chadbourne Street installed using TIRZ funds. (J. James)

- l. Second Reading for Case PD16-05, an Ordinance approving a request for a rezoning from the General Commercial (CG) Zoning District to the Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop, and Outdoor Storage, generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765, on approximately 8.140 acres. (J. James)
- m. Second Reading of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Accessory Structures. (J. James)
- n. Second Reading of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Intermodal Containers. (J. James)
- o. Second Reading of an Ordinance approving a request for the following alley right-of-way abandonments: (a) two 10-foot-wide alleys within Blocks A & B of the J.P. Holmes' Resubdivision, consisting of approximately 1,912 square feet and (b) a 20-foot-wide alley in the south ½ of Block C, Baze Addition of the Malone Subdivision, consisting of approximately 7,898 square feet, generally located north of Upton Street, east of North Baze Street, south of Veck Street and west of the Texas-Pacifico Railway line. (J. James)
- p. Second Reading of an Ordinance amending the 2016-2017 budget for grants and capital projects (M.Chegwidden)

6. Regular Agenda

- a. Consider ratifying a resolution by COSADC approving an economic development (BREP) incentive to Principal LED, LLC. in an amount up to \$350,000, and authorizing the Board President to negotiate and execute a performance agreement - (Presentation by Economic Development Director Roland Peña)
- b. Consider adoption of an ordinance authorizing the issuance of one or more series of city of San Angelo, Texas waterworks and sewer system revenue bonds; delegating the authority to certain city officials to execute certain documents relating to the sale of the bonds; establishing procedures for the sale and delivery of the bonds; providing for the security for and payment of such bonds; and authorizing and enacting other matters and provisions relating to the subject - (Presentation by Finance Director Tina Dierschke)
- c. First Reading and Public Hearing on an Ordinance amending Chapter 12, Exhibit "A," Zoning Ordinance, for Bed and Breakfast Establishments and Short Term Rentals - (Presentation by Planning & Development Services Director Jon James)
- d. Consider awarding FS-06-17 Asphalt Paving and Recycling Equipment to Angelo Benedetti, Inc., in an amount of \$1,200,000, budgeted in FY17, for the purchase of one system, and authorizing the City Manager or designee to execute any related documents (Presentation by Operations Director Shane Kelton)
- e. Consider approving the Parks and Recreation Advisory Board's recommendation to amend the park renovation plan funded by 4B Half-cent sales tax revenues - (Presentation by Parks and Recreation Director Carl White)

- f. Consider authorizing the City Manager to negotiate and execute a second amendment to the "Agreement for the Management and Operation of Old Town at El Paseo de Santa Angela" to increase the managed area to allow for the construction of a small chapel designed by Oscar Ruffini, and to negotiate and execute all related documents - (Presentation by Parks and Recreation Director Carl White)
- g. First reading and public hearing on an Ordinance closing the public hearing on the proposal to assess abutting property and owners for improvements to the Northwest one half of Twin Mountain Drive between April Street and Tarin Street; assessing the cost of constructing such improvements in accordance with Article 4.08 of the City Code of Ordinances; providing the time, terms and conditions of payment and default of such assessment, and prescribing the rate of interest thereon - (Presentation by City Engineer Russell Pehl)
- h. Presentation on water and wastewater fund performance following the first year of Council adopted rate plan and consideration of the possibility of issuing rebates of water fees (Presentation by Water Utilities Director Bill Riley and Budget Manager Morgan Chegwiddden)

7. 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 551.071(1)(A) consult with attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation regarding:
 - 1. 2013 Sealcoating Program Contract
 - 2. Templeton Construction, Inc.
 - 3. Alsay, Inc.
- b. Section 551.071(2) consult with attorney when the governmental body seeks the advice of its attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, regarding the West Texas Water Partnership
- c. Section 551.072 Deliberations about Real Property regarding:
 - 1. The Ford Ranch
 - 2. Lake Nasworthy Residential Lots
 - 3. Purchase of properties for use by City Departments

8. Follow Up and Administrative Issues

- a. Consider items discussed in Executive/Closed Session, if needed
- b. Consider approving the following Board nomination:
Fort Concho Museum Board: Iskandar Atajanow (SMD5) to an unexpired term ending January 2019
- c. Announcements and consideration of Future Agenda Items

9. 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 2nd day of December 2016, at 10:00 a.m.

Bryan Kendrick, City Clerk

All agenda items are subject to action. All contracts/agreements are presented in substantially the attached form. The City Council 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 will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

City Council meetings are broadcast on Channel 17-Government Access at 10:30 A.M. and 7:00 P.M. every day for two weeks beginning on the Thursday after each meeting.

Proclamation

Buckling up reduces the risk of death or serious injury from a traffic crash is reduced by fifty percent.

Texas and San Angelo law declares that seat belt and child safety seat use is required and motorists can be cited for non-compliance.

Habitual seat belt use is vital to maintaining a high level of public safety and health.

A crash can happen to anyone at any time, wearing a seat belt every trip, every time, is a no-cost, highly effective safety option available to increase safety.

The San Angelo Police Department and its community partners understand and respect the positive impact that increasing seat belt use can have on individuals, families, and the community.

NOW, THEREFORE, I Mayor Dwain Morrison do hereby proclaim the week of December 12th through 19th as:

"Buckle Down & Stay Strapped In Week"

in San Angelo to urge citizens to recognize the importance of daily seat belt and child safety seat use.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this 6th day of December 2016.

Dwain Morrison
Mayor of the City of San Angelo

City of San Angelo, Texas
Regular City Council Meeting
Tuesday, November 15, 2016

Present:

Mayor Dwain Morrison
Mayor Pro tem Charlotte Farmer, SMD 6
Council Member Bill Richardson, SMD 1
Council Member Marty Self, SMD 2
Council Member Harry Thomas, SMD 3
Council Member Lucy Gonzales, SMD 4
Council Member Lane Carter, SMD 5

1. Call to Order

With a quorum of the City Council Members present, Mayor Morrison called the regular session of the San Angelo City Council to order at 8:34 a.m. on November 1, 2016, in the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas 76903.

2. Prayer and Pledge

An invocation was provided by City Clerk Bryan Kendrick; and the pledges were led by San Angelo Christian Academy students: Alyssa Smith, Joshua Smith, Brooke Estrada, Shiloh DeLoy, and Tate Miller.

3. Proclamations/Recognitions

Council Member Lane Carter, Budget Manager Morgan Chegwidden, and COSADC board member Todd Kolls were recognized for being selected as "20 Under 40" Recipients.

December 3, 2016 was proclaimed "Concho Christmas Celebration Day", the proclamation was accepted by President of the Concho Christmas Celebration Lee Pfluger.

November 18, 2016 was proclaimed "National Adopting Day", the proclamation was accepted by Valarie Robbins.

4. Note: At 12:00 p.m. a recess will be taken to allow for a Special Joint Meeting with Tax Increment Reinvestment Zone Board

Mayor Morrison made the announcement regarding the joint meeting, as noted.

5. Public Comment

Neighborhood Services Director Bob Salas spoke about the upcoming meeting regarding possible future Low Income Housing Tax Credit (LIHTC) projects in San Angelo.

Council Member Farmer noted her upcoming Town hall Meetings regarding Short Term Rentals (December meeting), and Streets (January meeting).

Council Member Carter noted his upcoming Town Hall Meeting regarding Crime Prevention.

Council Member Gonzales congratulated the Central High School Football Team (the Bobcats).

Council Member Thomas invited everyone to attend the upcoming Christmas at Old Fort Concho.

6. Consent Agenda

- a. Approval of the November 1, 2016 City Council regular and November 7, 2016 City Council special meeting minutes
- b. Approval of appointments to MHMR Service for the Concho Valley Board of Trustees recommended by Liaison Representative Committee
- c. Adoption of a resolution authorizing the City Manager, or designee, to execute a Temporary Nonexclusive Sidewalk Use License Agreement to allow for a 248-square foot metal canopy located within the North Chadbourne Street and East College Avenue public right-of-ways and a 39-square foot canopy located within the East College Avenue public right-of-way, on property located at 38 North Chadbourne Street
- d. Approval of awarding FS-01-17 Asphalt Maintenance Truck Chassis to Corley Freightliner, in an amount of \$69,249, budgeted in FY17, for the purchase of one unit, and authorizing the City Manager or designee to execute any related documents
- e. Approval of awarding FS-02-17 Infrared Asphalt Maintenance Equipment to KASI Infrared, in an amount of \$182,710, budgeted in FY17, for the purchase of two units, and authorizing the City Manager or designee to execute any related documents
- f. Adoption of a resolution allowing the City Manager or his designee to negotiate and execute a contract with the Chamber of Commerce Convention & Visitors Bureau allocating Hotel Occupancy Tax fund
- g. Approval of purchases with Xylem/Flygt related to new and existing water and wastewater pumps for captive replacement parts, repairs, rebuilds, and replacements budgeted in FY17, FY18, and FY19 in the amount of \$200,000 annually
- h. Approval of second reading and adoption of an ordinance amending Chapter 5 "Business and Commerce" of the Code of Ordinances by adding Article 5.11 "Credit Access Businesses"
- i. Approval of second reading and adoption of an ordinance for Case Z16-07, approving a request for a rezoning from the Ranch and Estate (R&E) Zoning District to the General Commercial (CG) Zoning District for property generally located along the west side of Knickerbocker Road, between Red Bluff Road and Hilltop Drive, on 30.00 acres
- j. Approval of second reading and adoption of an ordinance amending Chapter One "General Provisions" of the Code of Ordinances by amending Section 1.04 through 1.09

Motion: Council Member Richardson made a motion, seconded by Council Member Gonzales, to approve the consent agenda, with the exception of item 6e. The motion carried unanimously (7) ayes to (0) nays.

Motion: Council Member Richardson made a motion, seconded by Council Member Carter, to approve item 6e, as presented. The motion carried unanimously (7) ayes to (0) nays.

7. Regular Agenda

- a. Discussion and direction on feedback received from waste collection survey and public forums regarding possible changes to waste collection service

A presentation was made by Operations Director Shane Kelton

Consensus of Council was direction for staff to work with Republic to determine the possibility of adding a monthly bulk pickup without any increase in rates.

- b. Approval and public hearing of the 2015 Consolidated Annual Performance and Evaluation Report (CAPER)

A presentation was made by Neighborhood & Family Services Director Bob Salas

Motion: Council Harry Thomas made a motion, seconded by Council Member Self, to approve the CAPER, as presented. The motion carried unanimously (7) ayes to (0) nays.

- c. Approval of first reading and public hearing of an Ordinance approving a request for the following alley right-of-way abandonments: (a) two 10-foot-wide alleys within Blocks A & B of the J.P. Holmes' Resubdivision, consisting of approximately 1,912 square feet and (b) a 20-foot-wide alley in the south ½ of Block C, Baze Addition of the Malone Subdivision, consisting of approximately 7,898 square feet, generally located north of Upton Street, east of North Baze Street, south of Veck Street and west of the Texas-Pacifico Railway line

A presentation was made by Planning & Development Services Director Jon James.

Motion: Council Member Thomas made a motion, seconded by Council Member Carter, to approve the ordinance, as presented. The motion carried unanimously (7) ayes to (0) nays.

- d. Approval of first reading and public hearing for Case PD16-05, an Ordinance approving a request for a rezoning from the General Commercial (CG) Zoning District to the Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop, and Outdoor Storage, generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765, on approximately 8.140 acres

A presentation was made by Planning & Development Services Director Jon James

Motion: Council Member Richardson made a motion, seconded by Council Charlotte Farmer, to approve the ordinance, as presented. The motion carried unanimously (7) ayes to (0) nays.

- e. Approval of first reading and public hearing of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Intermodal Containers

A presentation was made by Planning & Development Services Director Jon James

Motion: Council Member Farmer made a motion, seconded by Mayor Morrison, to approve the ordinance, as presented, with the change to remove the requirements related to screening and the number of containers (permanent or commercial), changing the requirement to allow commercial sites to place containers on the rear or side of the property; and reducing the compliance time from one year to 90 days in R&E Zoning. The motion carried (5) ayes to (2) nays, with Council Members Richardson and Gonzales casting the dissenting votes.

Recess: At 10:27 a.m. Mayor Morrison called for a recess.

Reconvene: At 10:48 a.m. the meeting was reconvened.

- f. Approval of first reading and public hearing of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Accessory Structures

A presentation was made by Planning & Development Services Director Jon James

Motion: Council Member Thomas made a motion, seconded by Council Member Self, to approve the ordinance, increasing the size limitation from 5% to 10%. The motion carried unanimously (7) ayes to (0) nays.

- g. Approval of the 2017 health insurance premiums

A presentation was made by Human Resources/Risk Management Director Lisa Marley

Motion: Council Member Thomas made a motion, seconded by Council Member Self, to approve the premiums, as presented. The motion carried unanimously (6) ayes to (1) nays with Council Member Richardson casting the dissenting vote.

- h. Approval of first public hearing and introduction of an ordinance amending the 2016-2017 budget for grants and capital projects

A presentation was made by Budget Manager Morgan Chegwiddden

Motion: Council Member Thomas made a motion, seconded by Council Member Self, to approve the ordinance, as presented. The motion carried unanimously (7) ayes to (0) nays.

8. Closed Session

At 11:16 a.m. the Council convened into 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 551.071(1)(A) consult with attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation regarding:
 - 1. ~~2013 Sealcoating Program Contract~~
 - 2. ~~Templeton Construction, Inc.~~
 - 3. Alsay, Inc.
- b. Section 551.071(2) consult with attorney when the governmental body seeks the advice of its attorney on a matter in which the duty of the attorney to the governmental body under the
- c. Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, regarding:
 - 1. Assignment of water rights on the Ford Ranch
 - 2. ~~West Texas Water Partnership~~
- d. Section 551.072 Deliberations about Real Property

At 1:02 p.m. the Council convened back to Regular Session.

9. Follow Up and Administrative Issues

- a. Consider items discussed in Executive/Closed Session, if needed

No action was taken on this item.

- b. Postponement of the water rebate review to December 6, 2016

Consensus of Council was to postpone this item as requested.

- c. Consider approving the following board nomination:
Civic Events Board: Karen Abbott (SMD1) to a first full term ending October 2019
Fort Concho Museum Board: Lt. Col. Yukio Kuniuki III (By Position: GFAB Commander)

Motion: Council Member Self made a motion, seconded by Council Member Carter, to approve the ordinance, as presented. The motion carried unanimously (7) ayes to (0) nays.

- d. Possible action related to the City Council Meeting Schedule for December 2016

Consensus of Council was to cancel the meeting for December 20, 2016 and hold only one meeting on the 6th of December.

- e. Announcements and consideration of Future Agenda Items

10. Adjournment

Motion: Council Member Carter made a motion, seconded by Council Member Thomas, to adjourn the meeting. The motion carried unanimously seven (7) ayes to zero (0) nays.

There being no further business, the meeting was adjourned at 1:07 p.m.

THE CITY OF SAN ANGELO

Dwain Morrison, Mayor

ATTEST:

Bryan Kendrick, City Clerk

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 Supplemental Minute Record. Details on Council meetings may be obtained from the City Clerk's Office or a video of the entire meeting may be purchased from the Public Information Officer at 481-2727. (Portions of the Supplemental Minute Record video tape recording may be distorted due to equipment malfunction or other uncontrollable factors.)

City of San Angelo, Texas
Special Joint City Council Meeting with City of San Angelo Tax Increment Reinvestment Zone Board
Tuesday, November 15, 2016

Present:

Mayor Dwain Morrison
Mayor Pro tem Charlotte Farmer, SMD 6
Council Member Bill Richardson, SMD 1
Council Member Marty Self, SMD 2
Council Member Harry Thomas, SMD 3
Council Member Lucy Gonzales, SMD 4
Council Member Lane Carter, SMD 5

Bill Dendle, Voting Member
Tim Edwards, Voting Member
Brenda Gunter, Voting Member
Dudra Butler, Voting Member
Johnny Silvas, Voting Member
Casey Barrett, Voting Member
Mike Campbell, Voting Member

1. Call to Order

With a quorum of the City Council Members present, Mayor Morrison called the special session of the San Angelo City Council to order at 12:12 p.m. on Tuesday November 15, 2016; and

With a quorum of the City of San Angelo Tax Increment Reinvestment Zone Board members present, Chairman Boyd called the special session to order at 12:12 p.m. on Tuesday November 15, 2016 in the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas 76903.

2. Special Agenda

- a. Discussion of the possibility of expanding the boundary of the Tax Increment Reinvestment Zone (TIRZ)

A brief introduction was given by Planning & Development Services Director Jon James.

Discussion was held on the following items:

- The current TIRZ Boundaries.
- Possible increase of revenue resulting from expansion.
- Need for Consensus between the City and the County on this issue.
- Requirements limiting the number of residential properties in the TIRZ.
- The complicated process needed to expand the boundaries.
- Effects of changes on the General Fund revenue.
- The importance and effect of gateways into a city

- b. Discussion of who should be responsible for maintenance of landscaping and other streetscaping in the public rights-of-way for TIRZ-funded projects

A brief introduction was given by Planning & Development Services Director Jon James.

Discussion was held on the following items:

- Responsibility of maintenance of TIRZ Streetscape Improvements
- Lack of compliance regarding maintenance.
- Possible ideas to alleviate the lack of maintenance including a partnership between funding, using parks staff and the property owner to achieve adequate maintenance levels.

3. Adjournment

Motion: Mayor Morrison made a motion, seconded by Council Member Self, to adjourn the meeting. The motion carried unanimously seven (7) ayes to zero (0) nays.

Motion: Board Member Campbell made a motion, seconded by Board Member Edwards, to adjourn the meeting. The motion carried unanimously seven (7) ayes to zero (0) nays.

There being no further business, the meeting was adjourned at 12:51 p.m.

THE CITY OF SAN ANGELO

Dwain Morrison, Mayor

ATTEST:

Bryan Kendrick, City Clerk

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 Supplemental Minute Record. Details on Council meetings may be obtained from the City Clerk's Office or a video of the entire meeting may be purchased from the Public Information Officer at 481-2727. (Portions of the Supplemental Minute Record video tape recording may be distorted due to equipment malfunction or other uncontrollable factors.)

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Allison Strube, Water Utilities Assistant Director, Water Utilities, 325-657-4209

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider awarding WU-01-17 Liquid Ammonium Sulfate to Chameleon Industries in the amount of \$60,000 annually for one (1) year with two (2) additional one (1) year term extensions, budgeted for purchase FY2017, FY2018, and FY2019, and authorizing the City Manager or designee to execute any related documents (A. Strube)

Summary/History:

Bids have been received from two (2) suppliers for the purchase of liquid ammonium sulfate for use at the water treatment plant. The low bid was submitted by Chameleon Industries, Inc. of Mesquite, Texas.

Liquid chlorine and liquid ammonia sulfate are used to disinfect drinking water at the city's water treatment plant. When combined, these chemicals are used to provide both the initial disinfection of the water and residual disinfection throughout the distribution system.

Financial Impact:

Total estimated annual expenditure of \$60,000 budgeted within the Water Treatment Plant operating budget.

Other Information/Recommendation:

Staff recommends the bid be accepted and the City Manager or designee be authorize to execute any related documents.

Attachments:

1. Bid Tab WU-01-17 Bid Tab.pdf

Presentation:

Approvals/Reviews:

Allison Strube	Created/Initiated
Bill Riley	Approved
Theresa James	Approved
Anthony Wilson	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



CITY OF SAN ANGELO
RFB Bid Tabulation * WU-01-17/Liquid Ammonium Sulfate
11/15/2016 at 2:00 p.m.

ITEM	APPROX QTY	Univar		Chameleon		Brenntag	
		UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE
Liquid Ammonium Sulfate	300 Tons	NO BID		\$ 200.00	\$ 60,000.00	\$ 202.80	\$ 60,840.00
Delivery Days				2 days standard, same day emergency		2- 3 days	
Piggy Back				No		No	
Cooperative				No		No	
P-Card				No		Yes	
Payment Terms				Net 30		Net 30	
Payment Discount				None		None	

Mailed to:	City	State	Notes
1 Chameleon Industries Inc.	Mesquite	TX	
2 Altivia Corporation	Houston	TX	
3 Altivia Corporation	Houston	TX	
4 Southern Ionics	West Point	MS	
5 Univar	Kent	WA	No Bid

NOTE: Include this form with your Agenda Memo

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Paul Hathaway, Street & Bridge Superintendent, Street and Bridge, 325-657-4377

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider award of RFB SB-01-17 Street Paving Materials to CSA Materials, Inc. and Vulcan Construction Materials in an amount of \$600,000, budgeted annually, and authorizing the City Manager or designee to execute any related documents (P. Hathaway)

Summary/History:

Bids were requested for the purpose of purchasing base and asphalt maintenance materials for use by City Departments in performing construction services, asphalt, trench and pothole repair.

The requests for bid were sent to nine vendors. Three responses were received.

Material purchases will be made from CSA Materials, Inc (San Angelo, TX) and Vulcan Construction Materials (San Antonio, TX). Funding for materials is budgeted annually through various respective Departmental accounts.

Financial Impact:

Staff recommends award of FS-02-17 Street Paving Materials; this is a budgeted expenditure.

Other Information/Recommendation:

Staff recommends award of FS-02-17 Street Paving Materials, this is a budgeted expenditure.

Attachments:

- | | |
|-------------------------------------|----------------------|
| 1. SB-01-17 Street Paving Materials | SB-01-17 Bid Tab.pdf |
|-------------------------------------|----------------------|

Presentation:

Approvals/Reviews:

Paul Hathaway	Created/Initiated
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Patrick Frerich	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



CITY OF SAN ANGELO
RFB Bid Tabulation * SB-01-17/Street Paving Materials
11/8/2016 at 2:00 p.m.

DESCRIPTION	APPROX QTY (TONS)	Vulcan Materials					Colorado Materials LTD					Crushed Stone and Asphalt				
		\$/ton material at Supplier Plant	Freight cost/ton delivered to City Yard	Material & Freight	Conversion Ton/Cu. Yd.	Minimum quantity required per order (tons)	\$/ton material at Supplier Plant	Freight cost/ton delivered to City Yard	Material & Freight	Conversion Ton/Cu. Yd.	Minimum quantity required per order (tons)	\$/ton material at Supplier Plant	Freight cost/ton delivered to City Yard	Material & Freight	Conversion Ton/Cu. Yd.	Minimum quantity required per order (tons)
CMCL Premix Type C	1000	\$ 36.00	\$ 33.25	\$ 69.25	1.15	24.00	\$ -	\$ -				\$ -				
HMAC Type D	3000	\$ -		\$ -			\$ -	\$ -				\$ 75.00	\$ 7.76	\$ 82.76	2.00	100.00
HMAC Type D	3000	\$ -		\$ -			\$ 67.14	\$ 35.52	\$ 102.66	1.70	25.00	\$ -		\$ -		
Flex Base Grade 2 Type A	15000	\$ -		\$ -			\$ 6.33	\$ 35.52	\$ 41.85	1.35	25.00	\$ 6.30	\$ 7.76	\$ 14.06	1.50	24.00
SS-1h Asphaltic Emulsion Based Tack-Cote	5.75	\$ -		\$ -			\$ -		\$ -			\$ -		\$ -		
TOTALS		\$ 36,000.00	\$ 33,250.00	\$ 69,250.00	N/A	N/A	\$ 296,370.00	\$ 639,360.00	\$ 935,730.00	N/A	N/A	\$ 319,500.00	\$ 139,680.00	\$ 459,180.00	N/A	N/A

Piggy Back _____
Cooperative _____ no _____
Delivery Days _____
P-Card _____ no _____
Payment Discount _____

Notes: Bid item #330 - limestone rock asphalt premix TY AA, A, B, C, or CC _____

Piggy Back _____ no _____
Cooperative _____ no _____
Delivery Days _____
P-Card _____ no _____
Payment Discount _____ Net 10 _____

Notes: _____

Piggy Back _____ no _____
Cooperative _____ no _____
Delivery Days _____
P-Card _____ no _____
Payment Discount _____

Notes: _____

Mailed to:	City	State	Notes
1 Vulcan Materials	San Antonio	TX	
2 Martin Marietta Materials	New Braunfels	TX	
3 Crushed Stone and Asphalt CSA	San Angelo	TX	
4 Price Const.	Big Spring	TX	
5 Reece Albert	San Angelo	TX	
6 Colorado Materials LTD	San Marcos	TX	
7 Industrial Asphalt	Austin	TX	
8 Armour Asphalt	Lubbock	TX	
9 Ergon Asphalt & Emulsion Inc	Austin	TX	No Bid

NOTE: Include this form with your Agenda Memo

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: David Knapp, Construction Manager, Construction Management, 325-262-1357

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider approving the proposed Fire Alarm Installation for the auditorium & annex project with Ener-Tel Services, Inc. under the CFM-07-15 contract; in the amount of \$54,940, all to be funded by the project budget; and authorizing the City Manager to execute said contract (D. Knapp)

Summary/History:

The fire alarm system was bid as part of the original auditorium renovation and expansion project by Lee Lewis Construction, Inc. LLCI submitted their Guaranteed Maximum Price which was approved by Council on 12/1/15 and was issued a notice to proceed. Work began in February 2016. During this time Ener-Tel Services Inc. was granted the City contract for Security and Fire Alarm monitoring and inspection services. Under this contract they are required to provide all materials and installation of new equipment based on guaranteed pricing for the duration of the contract. The auditorium project was identified as one of the facilities in their proposal.

We have asked LLCI to provide a credit for all fire alarm work in their contract. Ener-Tel has reviewed the bid documents and provided a quote for their fire alarm work in the auditorium and annex.

While Credits don't always reflect a true value of the work the proposed credit of \$46,500 is fair. The Ener-Tel quote, while a little bit higher, does include a few upgrades that would likely be required by the Fire Marshal. The facility will be fully equipped with a voice evacuation system, common for assembly type spaces.

Because the contract amount is over \$50,000, Council approval is required

Staff recommends approval of the proposed fire alarm work with Ener-Tel per CFM 07-15

Financial Impact:

The additional work for the fire alarm can be fully funded by the Project Contingency - See attachments

Other Information/Recommendation:

Attachments:

- | | |
|---------------------------------|--|
| 1. Exhibit 'A' | Auditorium Budget 2015 (version 1).pdf |
| 2. Contingency Funds Accounting | City Auditorium Project Accounting.pdf |
| 3. Task Order No. 2 | Ener-Tel - TASK ORDER No. 2.pdf |

Presentation:

Approvals/Reviews:

David Knapp

Created/Initiated

Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

Exhibit 'A' - Auditorium Renovation and Expansion

Project Funding (All Phases)	SAPAC	COSA
Half Cent Sales Tax (2010)		\$ 3,750,000
COSA Risk Management		\$ 316,100
COSA-DC (Annex Construction)		\$ 1,500,000
City of San Angelo - Additional Funding Sources		\$ 2,500,000
Dian Graves Owen Foundation Grant		\$ 200,000
SAPAC / Naming Rights	\$ 3,000,000	
SAPAC / Pledged	\$ 2,000,000	
SAPAC - Additional Donations Received	\$ 153,401	
SAPAC - SAAF Security Pledge	\$ 1,000,000	
SAPAC / SAAF - Historic Tax Credits	\$ 1,600,000	
	\$ 7,753,401	\$ 8,266,100
	TOTAL FUNDING	16,019,501

Project Expenses	SAPAC / COSA
CO Proceeds - Expenditures prior to current phase (End of FY13)	\$ 1,873,254
COSA Risk Mgmt - Insurance Proceeds (Professional Services)	\$ 11,981
COSA Construction Management	\$ 150,000
SAPAC Operating Reserve	\$ 400,000
Killis Almond Architects + Consultants	\$ 737,300
Asbestos/Testing / Security (paid FY15 + allowances)	\$ 118,348
Owner Project Contingency	\$ 300,000
Lee Lewis Construction, Inc. - Base Contract	\$ 10,369,494
Change Order No. 1 - Bid Alternates & Allowance (approved 4/19/16)	\$ 593,916
Change Order No. 2 - Auditorium Seating (approved 7/12/16)	\$ 445,948
Change Order No. 3 - Annex Completion and proposed Additional Work (approved 10/18/16)	\$ 927,172
TOTAL EXPENDITURES	\$ 15,927,413

PROJECT BUDGET SUMMARY		
Total Project Funding	\$	16,019,501
Total Project Budgeted Expenses	\$	15,927,413
	Funding Balance (+/-)	\$ 92,088

Proposed Additional Work			\$	92,088
Lead Abatement / Paint - Exterior Windows (By Owner)		\$	32,000	<i>approved 10/18/16</i>
<i>As presented to Council on 10/18/16</i>			\$	60,088
Site Improvements - Lighting/Irrigation/Landscaping	TBD	\$	85,000	
Historic Light Fixtures Restoration	TBD	\$	1,000	<i>Killis</i>
Main Lobby - Paint/Plaster Restoration	TBD	\$	50,000	<i>Killis</i>
			\$	136,000
Use project contingency if project funds are not available				\$ (43,912)

City Auditorium Project
Project Contingency 12/06/2016

Project Contingency	\$300,000
• Construction Change Requests	\$ 26,646
• <u>Ener-Tel Fire Alarm</u>	<u>\$ 54,940</u>
Balance	\$218,414

Available Project Funds	<u>\$ 60,088</u>
--------------------------------	-------------------------

TOTAL Funds Available	\$278,502
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TASK ORDER No. 02

Date: December 6, 2016

RFQ/RFB NO.: CFM-07-15

Contractor: Ener-Tel Services, Inc.
4512 Adobe Drive
San Angelo, Texas 76902

Approving Director: Michael Dane, Asst. City Manager/CFO

Effective Date of Original Contract: November 12, 2015, per BuyBoard contract #493-15.

Task Order Scope of Work (Include references to attachments): Provide all required fire alarm / detection devices, wiring and installation for the Auditorium Renovation and Expansion Project. Coordinate with general contractor and designated electrician for timing and installation, finish work and testing.

Time of Completion: Work on this Task Order shall be substantially completed after City issues Contractor a written Notice to Proceed and on or before July 5, 2017,. Approval for beginning Work on the project will not be given and that Work will not start until all required bonds and insurance certificates specified in the contract documents have been received and approved by City. Contractor agrees that any extension of the Contract Time stated herein shall not be effective or of any force or effect until and unless in writing, signed by the above named Approving Director, or designee.

Task Order Contract Price: \$ 54,940.00

Council Authorization Date (Task Orders of \$50,000 or more): December 6, 2016

Documents Acknowledged by the Parties and Incorporated Into and Made a Part of This Task Order (Attached):

Exhibit "A": Ener-Tel Proposal dated November 28, 2016

Reaffirmation of Original Contract: This Task Order is an addendum to the Original Contract, and all contract provisions shall apply unless specifically exempted. The price and time designated in this Task Order are the maximums agreed to by City and Contractor. This Task Order and any attached Exhibits and contract documents referred to herein are the entire agreement between Owner and Contractor with respect to this Task Order. Notwithstanding anything to the contrary herein, the cost of the change indicated on the face of this Task Order is the entire amount of the change, and no backup documentation attached hereto may reserve the

Contractor's right to increase the contract time or the cost of this change for extended overhead or general conditions or any other reason.

CONTRACTOR: ENER-TEL SERVICES, INC.

CITY OF SAN ANGELO

BY: Brenda Gill
Brenda Gill, Vice President

Daniel Valenzuela, City Manager

DATE: _____, 2016

ATTEST:

EMAIL: brenda.gill@ener-tel.com

Brian Kendrick, City Clerk

APPROVED AS TO FORM

Dan T. Saluri
Dan T. Saluri, Deputy City Attorney

APPROVED AS TO CONTENT

David Knapp
David Knapp, Construction Manager

Date: 11-29, 2016

Date: 11-29, 2016

APPROVED AS TO CONTENT

Michael Dane, Asst. City Manager/CFO



PROPOSAL

EXHIBIT "A"

November 28, 2016

Task Order No. 2 to FIRE AND SECURITY EQUIPMENT AND SERVICE AGREEMENT entered into by and between the City of San Angelo Texas and ENER-TEL SERVICES, INC., dated November 12, 2015.

San Angelo Auditorium & Annex – San Angelo, Texas
Fire Alarm Installation

This proposal is to provide and install new fire alarm devices for the above referenced project in San Angelo, Texas. This proposal is based on pages FP-1.0, FP-2.0 FP-2.1 dated 7-14-16 and no specifications were provided. This proposal includes the installation of one Voice Evacuation Panel, 15 smoke detectors, one heat detector, two pull stations, six duct detectors, four monitor modules for the sprinkler system, two power supplies, 11 strobes, and 80 speaker strobes. If any other devices are required a change order will be required. This proposal includes labor, engineering, testing, certification of system, and warranty of the fire alarm system.

This proposal does not include the conduit, conduit labeling, hangers, j-hooks, stub up's, back boxes, and 120VAC power requirements. This proposal does not include any patching or painting of conduit, ceiling, or walls.

The cost of this proposal is Fifty four thousand nine hundred forty dollars and 00/100 dollars, (\$54,940.00), not including sales tax or bonding.

Thank you again for considering our firm as your solution provider. If you have any questions or need further assistance, please do not hesitate to contact us.

Sincerely,

Ryan Mathews
Account Executive

Approved By

Date

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Cynthia Preas, Real Estate Manager, Real Estate, 325-657-4212

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider a resolution authorizing the Mayor, on condition stated, to execute a tax-resale (quitclaim) deed conveying all right, title and interest of the City of San Angelo, Trustee and all other taxing units interested in the tax foreclosure judgment to Mike Gotschall for \$3,000 (C. Preas):

1218 N. Garfield: Lots 24 and 25, Block 44, Forest Park Addition

Summary/History:

The subject property is a former gas station with underground storage tanks. It was offered at prior tax sales, but there were no bidders because of the storage tanks so the property was withdrawn from sale so the City would not hold potentially contaminated property. It is scheduled for tax sale again in January 2017. We anticipate there will be no bidders, especially since the amount of taxes due has increased significantly since the property was last offered for sale. Fortunately, Mike Gotschall has offered to purchase the property. This re-sale, prior to the actual sale, becomes effective only if the property is struck-off to the City and avoids indefinite ownership of the property by the City.

Financial Impact:

Upon approval: (1) The City will retain a \$500 administration fee; (2) The balance will be distributed according to the judgment on the Sheriff's Return; and (3) Property will be reinstated back onto tax roll.

Other Information/Recommendation:

Staff recommends approval.

Attachments:

- | | | |
|----|---------------|----------------|
| 1. | RE Resolution | Resolution.doc |
| 2. | RE Map | RE Map.pdf |

Presentation:

None

Approvals/Reviews:

Cynthia Preas	Created/Initiated
Cynthia Preas	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved

Bryan Kendrick

Final Approval

**A RESOLUTION OF THE CITY OF SAN ANGELO AUTHORIZING THE
MAYOR TO EXECUTE A TAX-RESALE (QUITCLAIM) DEED
CONVEYING ALL RIGHT, TITLE AND INTEREST OF THE CITY OF
SAN ANGELO, AND ALL OTHER TAXING UNITS INTERESTED IN
THE TAX FORECLOSURE JUDGMENT**

WHEREAS, by Sheriff's Sale to be conducted on February 7, 2017, the property described below may be struck-off to the City of San Angelo, Trustee, pursuant to a delinquent tax foreclosure decree of the 51st Judicial District, Tom Green County, Texas; and

WHEREAS, the sum of Three Thousand Dollars (\$3,000) has been offered by Mike Gotschall for the purchase of said property pursuant to Section 34.05, Texas Tax Code Ann.(Vernon, 1982); and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO that its Mayor, Dwain Morrison, is hereby authorized to execute a Tax-Resale (quitclaim) Deed conveying to Mike Gotschall, all of the right, title, and interest of the City of San Angelo, and all other taxing units interested in the tax foreclosure judgment, said deed becoming effective only upon the event that the following described real property located in San Angelo, Tom Green County, Texas is struck-off to City of San Angelo, Trustee:

**Lots 24 and 25, Block 44, Forest Park Addition, City of San Angelo, Tom Green County, Texas, as described in deed recorded in Volume 421, Page 806, Official Public Records of Real Property, Tom Green County, Texas.
Acct. #11-22800-0044-017-00 ID #R22676**

APPROVED AND ADOPTED ON THE _____ DAY OF _____, 2016.

THE CITY OF SAN ANGELO

Dwain Morrison, Mayor

Attest:

Bryan Kendrick, City Clerk

Approved As to Content:

Approved As to Form:

Cindy M. Preas, Real Estate Administrator

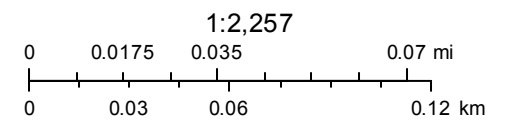
Theresa James, City Attorney

1218 NGarfield



November 28, 2016

 Ownership Parcels



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Cynthia Preas, Real Estate Manager, Real Estate, 325-657-4212

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider a resolution authorizing the City Attorney to begin termination of Lake Nasworthy Residential Lot Lease and eviction proceedings for non-payment of annual rent (more than 160 days delinquent) on the following properties (C. Preas):

1. 2562 Sleepy Hollow; Lot 25, Group Fisherman's Road (\$502)
2. 6638 Knickerbocker Road; Lot 114, Group Shady Point (\$461)

Summary/History:

Lessees are more than 160 days delinquent in paying annual Lake Nasworthy residential lot lease fees. All reasonable collection efforts made by the Real Estate Division have failed. It is the recommendation of the Real Estate Division that the City Attorney's Office terminate the Lake Nasworthy Residential Lot Leases and begin the eviction process. Total amount due includes annual rent and delinquent fees.

On February 6, 2007, City Council approved the Procedure for Lake Lease Delinquent Billing and Termination Notices. Staff has followed the established procedures, to include a 30-day notice to Lessee and their lender advising of the default; to date all collection efforts have failed.

Financial Impact:

Lessee's have failed to pay the following annual rent and delinquent fees:

1. 2562 Sleepy Hollow; Lot 25, Group Fisherman's Road (\$502)
2. 6638 Knickerbocker Road; Lot 114, Group Shady Point (\$461)

Other Information/Recommendation:

Staff recommends City Attorney's Office begin termination of Lease and eviction proceedings against Tenants.

Attachments:

1. RE Termination Resolution Termination+Resolution.docx

Presentation:

None

Approvals/Reviews:

Cynthia Preas	Created/Initiated
Cynthia Preas	Approved
Theresa James	Approved
Anthony Wilson	Approved

Julia Antilley
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE IN CONSULTATION WITH THE CITY ATTORNEY TO PROVIDE LEGAL NOTICE OF TERMINATION OF LEASE FOR LESSEES DEFAULT IN LEASE TERMS RELATING TO NON-PAYMENT OF ANNUAL RENT PURSUANT TO NOTICE OF DEFAULT PREVIOUSLY GIVEN UNDER THE LEASE, ANNUAL RENT NOW BEING PAST DUE FOR MORE THAN 160 DAYS, ON THE FOLLOWING LAKE NASWORTHY RESIDENTIAL LOTS: (1) LOT 25, GROUP FISHERMAN'S ROAD, LAKE NASWORTHY ADDITION AND (2) LOT 114, GROUP SHADY POINT, LAKE NASWORTHY ADDITION.

WHEREAS, the City of San Angelo (City) is owner and Lessor of certain Lake Nasworthy residential lots, located in San Angelo, Tom Green County, Texas; and,

WHEREAS, under the terms of the Lake Nasworthy Residential Lot Leases annual rent is due each year; and,

WHEREAS, the following Lessees are more than 160 days delinquent in paying annual rent;

1. Dwight A Chalker (\$502); Lot 25, Group Fisherman's Road, Lake Nasworthy Addition
2. Gayla S. Cook (\$481); Lot 114, Group Shady Point, Lake Nasworthy Addition

WHEREAS, 30-day notice (October 4, 2016) was given to Lessee advising failure to pay the full annual rent when due constitutes a material breach of the lease agreement; and,

WHEREAS, Lessee has not paid annual rent or made payment arrangements; and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS THAT:

The City Manager or his designee in consultation with the City Attorney, is hereby authorized to provide legal notice of termination of lease for Lessees default in lease terms relating to non-payment of annual rent pursuant to notice of default previously given under the lease, annual rent now being past due for more than 160 days, on the following Lake Nasworthy residential lots:

1. Dwight A Chalker (\$502); Lot 25, Group Fisherman's Road, Lake Nasworthy Addition
2. Gayla S. Cook (\$481); Lot 114, Group Shady Point, Lake Nasworthy Addition

PASSED and APPROVED THIS _____ DAY OF _____, 2016.

CITY OF SAN ANGELO, TEXAS

ATTEST:

Dwain Morrison, Mayor

Bryan Kendrick, City Clerk

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Cindy S. Preas, Real Estate Manager

Theresa James City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Cynthia Preas, Real Estate Manager, Real Estate, 325-657-4212

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider approving new Lake Nasworthy residential lot leases with the current tenants of the following properties (C. Preas):

1. 1637 Canal Road; Lot 140, Block 9, Section 2, Group Shady Point
2. 1836 Shady Point Circle Dr.; Lot 29, Block 7, Section 2, Group Shady Point
3. 1838 Shady Point Circle Dr.; Lot 31, Block 7, Section 2, Group Shady Point
4. 1912 Shady Point Circle Dr.; Lot 42, Block 7, Section 2, Group Shady Point
5. 2026 Mermaid Road; Lot 10, Block B, Section 2, Group 2
6. 2041 American Legion Road; Lot 22, Block A, Group 2
7. 2041 Beaty Road; Lot 3, Block 1, Section 1, Group 1
8. 2145 Hillside Dr.; Lot 13, Block 1, Group 2
9. 2550 Sleepy Hollow Rd.; Lot 22, Block 1, Section 1, Group Fishermans Road
10. 2165 Gun Club Road; Lot 10, Group 10
11. 3141 Red Bluff Road; Lot 91, Block 4, Section 4, Group Red Bluff
12. 1850 Shady Point; Lot 36A, Block 7, Section 2, Group Shady Point
13. 2540 Sleepy Hollow; Lot 18, Block 1, Section 1, Group Fisherman's Road
14. 2462 Fisherman's Road; Lot 11, Block 1, Group 14
15. 3330 Middle Concho; Lot 4, Block 4, Section 1, Group Middle Concho

Summary/History:

The following Lake Nasworthy residential lot leases on improved properties will end December 31, 2016, and the tenants requests a new 40 year lease:

1. 1637 Canal Road; Lot 140, Block 9, Section 2, Group Shady Point
2. 1836 Shady Point Circle Dr.; Lot 29, Block 7, Section 2, Group Shady Point
3. 1838 Shady Point Circle Dr.; Lot 31, Block 7, Section 2, Group Shady Point
4. 2026 Mermaid Road; Lot 10, Block B, Section 2, Group 2
5. 2041 American Legion Road; Lot 22, Block A, Group 2
6. 2041 Beaty Road; Lot 3, Block 1, Section 1, Group 1
7. 2145 Hillside Dr.; Lot 13, Block 1, Group 2
8. 2550 Sleepy Hollow Rd.; Lot 22, Block 1, Section 1, Group Fishermans Road
9. 2165 Gun Club Road; Lot 10, Group 10
10. 3141 Red Bluff Road; Lot 91, Block 4, Section 4, Group Red Bluff
11. 1850 Shady Point; Lot 36A, Block 7, Section 2, Group Shady Point
12. 2540 Sleepy Hollow; Lot 18, Block 1, Section 1, Group Fisherman's Road
13. 2462 Fisherman's Road; Lot 11, Block 1, Group 14
14. 3330 Middle Concho; Lot 4, Block 4, Section 1, Group Middle Concho

The following Lake Nasworthy residential lot lease on an unimproved property ends December 31, 2016, and the tenant

requests a new 20 year lease.

1.1912 Shady Point Circle Dr.; Lot 42, Block 7, Section 2, Group Shady Point

Financial Impact:

Granting fees of \$577 will be collected on each new lease.

Yearly lease fees will be collected based on the appraised value of each lot.

Other Information/Recommendation:

Staff recommends approval.

Attachments:

Presentation:

N/A

Approvals/Reviews:

Cynthia Preas	Created/Initiated
Cynthia Preas	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Carl White, Parks and Recreation Director, Parks and Recreation, 325-657-4450

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider a resolution requesting the members of the 85th Legislative Session of the State of Texas support the passage of legislation for fair distribution of the sporting tax revenue for local and state parks and requiring Texas Recreation and Parks Account funded projects be subject to the competitive scoring system established by the Texas Parks and Wildlife Department, and there is no expenditure related to the passage of this resolution (C. White)

Summary/History:

Staff recommends adoption of a Resolution requesting the members of the 85th Legislative Session of the State of Texas support the passage of legislation for fair distribution of the sporting tax revenue for local and state parks and requiring Texas Recreation and Parks Account funded projects be subject to the competitive scoring system established by the Texas Parks and Wildlife Department and authorizing the Mayor or City Manager to execute the Resolution.

The attached draft Resolution outlines many of the benefits of granting programs and state park system.

The City Council adopted a similar Resolution for the 84th Legislative Session of the State of Texas on January 20, 2014. The City of San Angelo has benefited directly by these grant programs in the past when they were adequately funded. In the last 12 years, San Angelo has received approximately \$1,750,000 from these programs for parks and trails improvements. We are also blessed to have a State Park in our backyard but it needs better funding, as supported in this proposed Resolution.

Financial Impact:

There is no financial impact for passing this resolution. Passing it, however, could result in legislation that makes more grant funding available for our community.

Other Information/Recommendation:

Attachments:

- | | |
|--|--|
| 1. Resolution 85th Legislature Support for TPWD Programs | 17-120_PR_RESOLUTION_85TH_LEG_SUPPORT_PARKS.docx |
|--|--|

Presentation:

Approvals/Reviews:

Carl White	Created/Initiated
Carl White	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL
REQUESTING THE MEMBERS OF THE 85th LEGISLATIVE SESSION OF
THE STATE OF TEXAS TO SUPPORT LEGISLATION THAT PROVIDES A
FAIR AND EQUITABLE DISTRIBUTION OF THE SPORTING GOODS SALES
TAX REVENUE FOR LOCAL AND STATE PARKS.**

WHEREAS, the Texas Parks & Wildlife Department ("TPWD") administers the Texas Recreation & Parks Account Local Park Grant Program ("TRPA") and the Large County and Municipality Recreation and Parks Account (Urban Account) and manages 95 State parks, natural areas and historical sites in Texas; and

WHEREAS, TPWD has separate accounts in their general revenue fund referred to as the TRPA and Urban Account for the purpose of providing matching grants to political subdivisions for parks and recreation projects, and for outreach grants to introduce new populations to outdoor experiences; and

WHEREAS, the matching grants provided by the TPWD are utilized for the planning, acquisition, and development of local park, recreation and open space areas to be owned and maintained by political subdivisions; and

WHEREAS, funds granted to political subdivisions under the TRPA and Urban Account guidelines have funded 1,668 projects of the 3,525 submitted over 30 years delivering over \$800 million to the local Texas economy; and

WHEREAS, political subdivisions throughout the State of Texas depend on grants from TPWD through the TRPA to stimulate the acquisition and development of parks and recreational areas for the benefit and enjoyment of their citizenry; and

WHEREAS, the TRPA, Urban Account, and State parks are funded from sales tax on sporting goods and the development of new parks stimulates the purchase of sporting goods; and

WHEREAS, the TRPA, Urban Account, and State parks are partially funded from federal dollars used for parks, recreation, open space, trails, and tourism from the United States Department of the Interior Land and Water Conservation Fund (LWCF), the Sport Fish Restoration Boat Access program and the United States Department of Transportation Recreation Trails; and

WHEREAS, the maintenance and improvements of State park and historic sites and the addition of new parks is a priority to Texans due to the State's expanding population and extensive tourism industry; and

WHEREAS, the development of parks encourages and promotes public health, economic development, job creation, education; corporate relocations, an improved quality of life, and juvenile crime prevention; and

WHEREAS, funds are needed for major repairs at Local and State parks and for the acquisition and development of parks and facilities; and

WHEREAS, it is the desire of this City Council that a copy of this resolution with appropriate names affixed be presented to the Governor of Texas and the leadership of the 85th Texas Legislature.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS:

1. That members of the 85th Legislature of Texas seek support of legislation that provides a fair and equitable distribution of the sporting goods sales tax revenue for for Local and State parks and that all funding for TRPA and Urban Account projects be subject to the established TPWD competitive scoring system.

PASSED AND APPROVED by the City of San Angelo City Council on this the ____ day of _____ 2016.

APPROVED:

Dwain Morrison, Mayor

ATTEST:

Bryan Kendrick, City Clerk

APPROVED AS TO FORM:

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Carl White, Parks and Recreation Director, Parks and Recreation, 325-657-4450

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider authorizing the City Manager to negotiate and execute an agreement between the City of San Angelo and The Corporation for National and Community Service (AmeriCorps National Civilian Community Corps - NCCC) for a service project (from January 5 to March 31, 2017), and providing in-kind support for lodging that will not result in additional budgeted expenditures (C.White)

Summary/History:

Staff recommends approval of an agreement between the City of San Angelo and The Corporation for National and Community Service (AmeriCorps National Civilian Community Corps -- NCCC) for a service project and authorizing the Mayor or the City Manager to execute the agreement.

The AmeriCorps is a network of national and community service programs that engage 75,000 Americans each year in intensive service to meet critical needs in the areas of natural and other disasters, infrastructure improvement, environmental stewardship and conservation, energy conservation and urban and rural development. The NCCC is a team-based, full-time, residential program for men and women between the ages of 18 and 24.

Pending City Council approval of this agreement, we have been tentatively accepted to receive a work crew from the AmeriCorps program, a team of 8-12 young adults from January 5 to March 31, 2017. The crew would be lodged at Fort Concho (OQ1 and Classroom of the Living History Stables) during this time. The crew would tackle the following projects: porch, column and fascia board replacements (where needed at Fort Concho) as well as painting of several buildings, maintenance of the nature trails, assistance with senior programming, inventory of trees in the parks and several other smaller tasks.

Participating in this program will help us catch up on several deferred maintenance projects and tasks.

Council approved a similar agreement in 2015 and 2016 . The program has been successful for us.

Financial Impact:

There is no direct cost to the City for this program. The City would provide in-kind service in terms of lodging and coordinating staff time, but that value is dwarfed in terms of the rewards in direct labor towards needed projects and deferred maintenance. The City would also pay for the cost of materials such as paint, lumber, etc. (a cost that is budgeted and we would incur anyhow for the required maintenance).

Other Information/Recommendation:

Attachments:

1. Agreement AmeriCorps Team 2017

17-129_PR_AGREEMENT-2017_AMERICORPS.pdf

Presentation:

Approvals/Reviews:

Carl White	Created/Initiated
Carl White	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



**AMERICORPS NATIONAL CIVILIAN COMMUNITY CORPS
PROJECT SPONSOR AGREEMENT**

AGREEMENT BETWEEN
THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

and

City of San Angelo

for Service Project Number 2017-02-227

This Agreement is entered into by and between the Corporation for National and Community Service's AmeriCorps National Civilian Community Corps National Service Program (hereinafter referred to as the "AmeriCorps NCCC") and the

City of San Angelo

(hereinafter referred to as the "Project Sponsor").

Whereas, the National and Community Service Act of 1990, as amended, 42 U.S.C. § 12501, et seq., specifically 42 U.S.C. §12612, authorizes the Corporation for National and Community Service to establish the AmeriCorps NCCC;

Whereas, the Project Sponsor's service project proposal and/or supplemental check list (when applicable) has been approved by AmeriCorps NCCC, is hereby attached, and is incorporated into this agreement by reference;

Whereas, these service projects will meet an identifiable public need and emphasize the performance of community service activities that provide meaningful community benefits and opportunities for service learning and skills development for the Corps Members;

Whereas, each Party to this Agreement is a separate and independent organization. As such, each organization retains its own identity in providing services, and each organization is responsible for establishing its own policies and financing its own activities (except as specifically set forth in this Agreement). Nothing in this Agreement authorizes the NCCC or the Project Sponsor to obligate the funds of the other Party, or does it authorize either party's involvement in, or approval of, other, unrelated activities engaged in by either Party. The Agreement also does not create any employment relationship, partnership, joint venture, or other similar legal relationship between the NCCC and the Project Sponsor, and neither party has the authority to bind, or act on behalf of, the other.

The parties hereby agree to the terms and conditions as follows:

**AMERICORPS NATIONAL CIVILIAN COMMUNITY CORPS
SERVICE PROJECT SPONSOR AGREEMENT**

I. AmeriCorps NCCC's Responsibilities

- A. The AmeriCorps NCCC agrees that approximately 1 Team(s), consisting of approximately 8-12 Corps Members, from the Southwest Region, will perform the following service project(s) in conjunction with the Project Sponsor:
1. Project No(s). 2017-02-227, as described in the AmeriCorps National Civilian Community Corps Project Application, submitted by the Project Sponsor on 10-28-2016 and approved by the AmeriCorps NCCC on 11-28-2016.
 2. The AmeriCorps NCCC Teams will perform the tasks as specified in the Project Application, with the following modifications or considerations:
N/A
- B. Period of Performance: The AmeriCorps NCCC Teams will begin the service project(s) not before January 6, 2017 and the service project(s) projected completion is on or about April 1, 2017. If, however, AmeriCorps NCCC Teams are unable to begin or end the service projects on said dates, the AmeriCorps NCCC will notify the Project Sponsor in writing of this delay.
- C. No member of an AmeriCorps NCCC Team (including any Corps Member or Team Leader) shall sign any document provided by the Project Sponsor or any representative or employee of the Project Sponsor, including but not limited to: liability waivers, hold harmless agreements, indemnification agreements, or employment-related documents. In the event that a member of an AmeriCorps NCCC Team, signs a document provided by the Project Sponsor or any representative or employee of the Project Sponsor, the signature on any such document shall have no force or effect of law. Neither the Team nor any Team Leader or Corps Member thereof, may legally bind the AmeriCorps NCCC Team or the AmeriCorps NCCC Program.
- D. The AmeriCorps NCCC Team and all of its individual members constitute federal assistance to the Project Sponsor.
- E. AmeriCorps NCCC Corps Members and Team Leaders are covered by the Federal Tort Claims Act, 28 U.S.C. §2671, *et seq.* Therefore, any tort claims against Corps Members and/or Team Leaders arising out of incidents occurring while acting within the scope of their duties will be adjudicated under the Federal Tort Claims Act.
- G. AmeriCorps NCCC Corps Members and Team Leaders are also covered by the Federal Employees Compensation Act, 5 U.S.C. §8101, *et seq.* Consequently, any worker compensation claims filed by Corps Members and/or team leaders arising out of incidents occurring while

**AMERICORPS NATIONAL CIVILIAN COMMUNITY CORPS
SERVICE PROJECT SPONSOR AGREEMENT**

acting within the scope of their duties will be adjudicated under the Federal Employees Compensation Act.

- H. NCCC Corps Members and Team Leaders are not employees in any manner whatsoever of the Project Sponsor, but are participants in a federally-funded and federally-operated program of the Corporation for National and Community Service. The AmeriCorps NCCC Program is solely responsible for the overall management, supervision, and discipline (e.g. right to remove or discharge) of all AmeriCorps Team Leaders and Corps Members.

II. Project Sponsor's Responsibilities

- A. The Project Sponsor will provide equipment, supplies, training, and technical supervision as specified in the approved Project Application with the following modifications or considerations:

N/A

- B. In the event the Project Sponsor provides (subject to the concurrence by an authorized NCCC official) vehicles for Team Leaders, Corps Members or NCCC Staff (only those trained and certified to drive government vehicles) to use to perform project tasks, the Project Sponsor and/or Partnering Organization agrees to ensure that such drivers are authorized operators under the Sponsor's automobile liability insurance, and further agrees to hold the Corporation for National and Community Service, the AmeriCorps National Civilian Community Corps, and its employees, Team Leaders and Corps Members harmless for any damages to the Project Sponsor's vehicles, that may occur as a result of the NCCC's authorized use of such vehicles. The Project Sponsor also agrees to assume all costs of repair for any damages to Project Sponsor's vehicles. Check applicable.

- a. ☐ I authorize NCCC Team Leaders, Corp Members or Staff usage of Project Sponsor and/or Partnering Organization's vehicles to perform project tasks.
- b. ☒ I DO NOT authorize NCCC Team Leaders, Corps Members or Staff usage of Project Sponsor and/or Partnering Organization's vehicles to perform project tasks.

- C. In the event the Project Sponsor provides (subject to the concurrence of by an authorized NCCC official) equipment for Team Leaders, Corps Members, or NCCC Staff to use to perform project tasks, the Project Sponsor and/or Partnering Organization agrees to ensure that such individuals are authorized users/operators under the Sponsor's liability insurance. The Project Sponsor also agrees to assume all costs of repair for any damages to Project Sponsor's equipment.

**AMERICORPS NATIONAL CIVILIAN COMMUNITY CORPS
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- D. If applicable, the Project Sponsor will assist with the lodging, meals, and other support for the AmeriCorps NCCC Team as described in the Project Application and/or specified below. If the Project Sponsor and the AmeriCorps NCCC agree to enter into a cost-share agreement in support of this project, a separate cost share agreement will be completed and incorporated by reference into this agreement.
- E. The service projects will be lawful, meet an identifiable need in the community, and provide the community with meaningful benefits.
- F. The service projects will not require that the Team Leaders or Corps Members engage in religious instruction, worship services, or any form of proselytization.
- G. Team Leaders or Corps Members participating in the service project will not be required to assist, promote or deter union organizing or assist directly or indirectly any election to Federal office or an election to State or local public office.
- H. Project sponsors agree to include the name, “AmeriCorps NCCC” in public communication that references the work being completed by the AmeriCorps Team, including, but not limited to, press releases, media activity, website, and social media. Program sponsors also agree to refer to those serving as “AmeriCorps members” and to coordinate any large-scale media activities with AmeriCorps NCCC.
- I. Project sponsor agree to promote or assist with the promotion of national service and AmeriCorps NCCC, but not limited to, the following: providing time for AmeriCorps Corps Members to hold recruitment events, allowing AmeriCorps Corps Members to place yard signs that promote AmeriCorps at the project site, inform the community, the project sponsor’s stakeholders, recipients and staff, the community and the general public of the work being performed by the AmeriCorps team, and encourage young adults to apply to AmeriCorps NCCC.
- J. The Project Sponsor will comply with all federal statutes, including the National and Community Service Act of 1990, as amended, relating to nondiscrimination, which includes nondiscrimination on the basis of race, color, national origin, sex, age, disability, and in most instances, religion. CNCS prohibits all forms of discrimination based upon race, color, national origin, gender, age, religion, sexual orientation, disability, gender identity or expression, political affiliation, marital or parental status, or military service. All programs administered by, or receiving Federal financial assistance from CNCS, must be free from all forms of harassment.
- K. The Project Sponsor understands that the AmeriCorps NCCC is part of the National Disaster Response Network, and that all or some of the Corps Members involved in this service project may be called away as part of a national disaster response.

**AMERICORPS NATIONAL CIVILIAN COMMUNITY CORPS
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III. Modification and Termination

This Agreement may be amended at any time, in writing, by mutual consent of the authorized representatives of the Project Sponsor and the AmeriCorps NCCC. Termination of this Agreement by either party is accomplished by giving written notice five days prior to the effective date of the termination, except in the case of a national disaster. The Project Sponsor understands that the AmeriCorps NCCC is part of the National Disaster Response Network, and that all or some of the Corps Members involved in this service project may be called away as part of a national disaster response. In the case of a national disaster response, AmeriCorps NCCC will provide as much notice as circumstances allow.

IV. SIGNATURES

The parties below attest to having the authority to enter into this Agreement and agree that this Agreement will become effective on the date of the final signature and remain in effect until April 1, 2017.

REMINDER: Sponsors must check one of the boxes on page 3 to indicate permission or denial of driving privileges for sponsor provided vehicles.

CNCS/AmeriCorps NCCC

Project Sponsor:

Signature
Crystal M. Kelley

Printed Name
Title: Assistant Program Director

Date: 11/28/2016

Address: 15001 E. Oxford Ave

Aurora, CO 80014

Phone: 303-844-7416

Signature
Daniel Valenzuela

Printed Name
Title: City Manager

Date: _____

Address: 72 W. College Ave.

San Angelo, TX 76903

Phone: (325) 657-4241

Attest by: _____
Bryan Kendrick, City Clerk

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Morgan Chegwidden, Budget Manager, Budget, 325-653-6291

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider approving an agreement with Concho Valley Transit District for the provision of transit services and authorizing the City Manager to negotiate and execute such agreement (M.Chegwidden)

Summary/History:

Since 2006, the City of San Angelo has contracted with the Concho Valley Transit District to provide urban transit services in San Angelo. Staff from both agencies have developed an over-arching agreement as some components of our partnership have changed since 2006. At its heart, this agreement still provides urban transit to San Angeloans and also incorporates use of fleet services amenities and sign repairs.

Financial Impact:

The City agrees to contribute \$337,391 annually for the provision of urban transit services. The Concho Valley Transit District will remit \$120,000 annually to the City for provision of fleet services and sign repairs.

Other Information/Recommendation:

Staff recommends approval of the agreement.

Attachments:

1. Agreement 16-490 2016 CVTD Interlocal Agreement - 12 1 2016.docx

Presentation:

None

Approvals/Reviews:

Morgan Chegwidden	Created/Initiated
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is made and entered into and effective as of the ___ day of _____ 2016 ("Effective Date") pursuant to the Texas Interlocal Cooperation Act , Chapter 791 of the Texas Government Code (the "Act"), by and between the Concho Valley Transit District ("CVTD") and the City of San Angelo, Texas (the "City").

WHEREAS, the provision of transportation services is a governmental function in which the City and the CVTD are mutually interested; and

WHEREAS, the City desires to entrust urban transit services to the CVTD on the terms described herein; and

WHEREAS, the CVTD is an eligible entity under the Act; and

WHEREAS, the CVTD are authorized by law to perform the services as set forth below; and

WHEREAS, in 2009 the CVTD and the City entered into an agreement for transit services; and

WHEREAS, the 2009 agreement has been amended each year to account for changes in the term and the amount of local contribution; and

WEHREAS, it has been determined that consolidating the amendments into one agreement is in the best interest of both parties.

Now, THEREFORE, inconsideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the CVTD and the City agree to the following terms, covenants, and conditions:

ARTICLE 1- GENERAL CONDITIONS

Section 1. 01 - Operation of Services. The CVTD has agreed to undertake, perform and complete in an expedient satisfactory and proper manner, the efficient and effective operation of transit service within the City of San Angelo.

Section 1.02 - Maintenance of Vehicles. The CVTD shall keep the vehicles maintained, neat, and clean at all times.

Section 1.03 -Customer Service. All CVTD employees shall wear appropriate uniforms or dress that identifies the individual as an employee of the CVTD.

ARTICLE 2 –TERM OF AGREEMENT

Section 2.01 – Initial Term and Option to Renew: The initial term of Agreement shall be one year commencing on the September 1, 2016 and ending August 31, 2017. Upon termination of the initial term, the agreement shall automatically renew for additional one (1) year terms. Each party shall have the option to terminate this Agreement by providing ninety (90) days written notice of intent to terminate prior to the expiration of the current term.

ARTICLE 3 -FUNDING

Section 3.01 - Use of Federal Funding. The Federal allocation for Fiscal Year 2016 is \$1,399,871. The City and the CVTD acknowledge that CVTD shall be the sole recipient of Federal Transit Administration funds to support urban transit services. The CVTD will utilize one hundred percent (100%) of the FY2016 federal allocation for San Angelo to support urban transit services for the City of San Angelo.

Section 3.02 - Sole Use of State Funding. The City and the CVTD acknowledge that CVTD will become the direct recipient of Texas Department of Transportation Public Transportation funds to support urban transit services. The CVTD will utilize one hundred percent (100%) of the FY2016 state allocation for San Angelo urban transit to support urban transit services for the City of San Angelo.

Section 3.03 - Additional Revenue Sources. The City and the CVTD acknowledge CVTD's sole right to additional revenue sources that are earned as a result of transit services. These sources include but are not limited to ticket sales, pass sales, marketing and advertising contracts, contracts for services, and charter services.

Section 3.04 -Local Compensation. The City acknowledges the need to provide a fair and equitable local contribution to the CVTD to support the delivery of transit services within the City of San Angelo. The City and the CVTD acknowledge that the method utilized to determine the City's minimum local cash contribution will be a percentage of total operation expenses (operations, planning, and preventative maintenance) of CVTD's San Angelo urban transit services. CVTD may be subject to annual review of performance including economic factors on an as needed basis as determined by COSA or as requested by CVTD.

The City and the CVTD agree that the projected operation expense to support urban transit services from September 1, 2016 to August 31, 2017 is \$3,045,918. Accordingly, the City agrees to contribute \$337,391 to CVTD for urban transit and \$48,000 for Goodfellow Express, to constitute the City's local cash contribution. The payment shall be made to the CVTD in one lump sum payment within 30 days of the effective date of this Agreement.

The City and the CVTD hereby stipulate and agree that such amount fairly supports the CVTD for services or functions performed under this Agreement.

Section 3.05 - Term Payments: CVTD shall pay City the amount of one hundred twenty thousand dollars (\$120,000) for each term. Each term payment is due and payable on or before January 15 of each year of each term.

ARTICLE 4 – AUDIT AND OVERSIGHT

Section 4.01 – Goodfellow Express route. The CVTD acknowledges the need to maintain and improve the delivery of urban transit services within the City of San Angelo. The City acknowledges the CVTD's authority to determine the best and highest use of all transit assets dedicated to delivering urban transit services. In order to balance the need of CVTD to efficiently operate and the City to exercise its oversight authority, the City and the CVTD hereby agree and stipulate that significant changes to the Goodfellow Express route will be confirmed by an amendment to this agreement.

Section 4.02 - CVTD Board of Directors. The CVTD Board of Directors will include no fewer than three (3) representatives appointed by the City.

Section 4.03 – Audit. COSA shall have the right to audit the financial records of the CVTD for three years past the expiration of the fiscal year. CVTD shall retain all documents related to services provided under this agreement through the expiration of that audit period.

ARTICLE 5 – PERMITS, CERTIFICATES, AND LICENSES

Section 5.01 Permits, Certificates, Licenses. The CVTD shall obtain, at its expense; and maintain all permits certifications, licenses, and approvals required for its activities connection to the operation of urban transit services within the City of San Angelo. To the extent allowed by law, CVTD shall not be obligated to obtain such permits, certificates, and licenses from the City of San Angelo which are directly related to the operation of urban transit services.

ARTICLE 6 – SERVICES

Section 6.01 – Space and Services. The City will provide CVTD services for CVTD vehicles at the City of San Angelo Fleet Services Facility located at 1727 Saint Ann, San Angelo, Texas, as follows:

- (1) 24 Hour access to fuel
- (2) Parking spaces for ten (10) CVTD vehicles

- (3) 24 Hour Security
- (4) On-site Vehicle Wash
- (5) 24 Hour Access to Air Supply
- (6) Auction Services
- (7) Asset Software and Management
- (8) Access to service and repair parts and supplies through City contract with parts provider

Section 6.02 – Signs. The City agrees to continue providing bus sign services to the CVTD at same rate of labor, equipment, and materials the City is paying at the time the sign is produced. This provision supercedes any prior agreements between the City and CVTD related to the production of signs.

(a) CVTD shall reimburse City for the costs incurred by it in supplying, printing, and installing the bus stop signs including materials, equipment, and labor (Costs). Reimbursement shall be made within thirty (30) days of City submitting a written invoice of Costs to CVTD.

(b) CVTD shall supply City with instructions, samples, and/or design templates as necessary for City's use in printing the signs.

(c) If CVTD will be preparing, drafting, displaying, reproducing, or otherwise using, in any manner or form, any information, document, or material that is subject to a copyright, trademark, patent, or other property or privacy right, then CVTD must: Obtain all necessary licenses, authorizations, and approvals related to its use; include COSA in any approval, authorization, or license related to its use; and, to the extent permitted by law, indemnify and hold harmless COSA related to CVTD's alleged infringement or otherwise improper or unauthorized use. Accordingly, to the extent permitted by law, CVTD must protect, indemnify, and hold harmless COSA from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorneys' fees and the costs of the defense of COSA, in any suit, including appeals, based upon or arising out of any allegation of infringement, violation, unauthorized use, or conversion of any patent, copyright, trademark or trade name, license, proprietary right, or other related property or privacy interest in connection with, or as a result of, this agreement or the performance by CVTD of any of its activities or obligations under this agreement.

(d) CVTD agrees that City shall have sole discretion in determining the exact location of bus stops and related signage.

(e) CVTD agrees that at any time City shall desire the use of its right(s) of way and/or easement(s) in such a manner as would, in City's reasonable opinion, be interfered with by a bus stop and related signage, City shall be entitled, at CVTD's sole expense, and after thirty (30) days written notice to CVTD, make such changes to the bus stop and/or signage as in the sole discretion of City may be necessary to avoid interference with City's use of its right(s) of way and/or easement(s), including, without limitation, the relocation of the existing or the installation of a new bus stop and related signage.

(f) It shall be the responsibility of CVTD to notify City of bus stop signs that require repair, maintenance, or replacement. CVTD agrees to reimburse City for the Costs incurred by it in repairing, maintaining, or replacing signage. Such reimbursement shall be made within thirty (30) days of City submitting a written invoice of Costs to CVTD.

(h) City shall supply such signage as requested by CVTD, and agreed to between the parties.

(i) City shall print all signs, first in accordance with standards in the Manual of Uniform Traffic Control Devices, and secondly in accordance with instructions, samples, and/or design templates provided by CVTD. CVTD shall not be responsible for payment of signs not conforming to such standards, instructions, samples, and/or design templates.

(j) During the term of this Agreement City shall be responsible for the repair, maintenance, and replacement of damaged bus stop signs.

(k) At the expiration or termination of this Agreement, City shall remove all bus stop signage and return the same to CVTD, at the sole cost and expense of CVTD. CVTD shall reimburse City for the reasonable costs of removal of signage within thirty (30) days of City submitting a written invoice of Costs to CVTD.

(l) City agrees that upon CVTD's payment and acceptance of signs supplied by City, such signs shall be owned by CVTD, and shall remain the property of CVTD at the expiration or termination of this Agreement.

(m) City shall compile and maintain such documentation as required by CVTD which shall be provided to CVTD to support federal and state funding eligibility and City requests for reimbursements. CVTD shall cooperate with City in the compiling of such documentation.

ARTICLE 7- INSURANCE AND INDEMNIFICATION

Section 7. 01 - Commercial General Liability Insurance. The CVTD shall maintain commercial general liability insurance covering the CVTD for liability for property damage, bodily injury, personal injury and death. The insurance provided under this Section shall be in an amount not less than \$2,000,000 per occurrence for property damage and not less than \$2,000,000 per occurrence for personal injury, bodily injury or death. This insurance shall protect against liability to any employees, agents, elected officials and officers of the City and to any other person or persons whose property damage, personal injury or death arises out of or in connection with the use or condition of the vehicles and shall include (i) coverage for operations, including completed operations, (ii) coverage for products liability, and (iii) contractual liability coverage insuring the obligations of the CVTD under the terms of this Agreement. Such policy shall name the City as an additional insured. Additionally, each policy shall contain an endorsement waiving all rights of subrogation against the City, and its employees, agents, elected officials and officers.

Section 7.02 - Workers Compensation. The CVTD shall maintain workers compensation insurance to protect against claims under Texas Workers Compensation laws. The limit of liability for such coverage shall at least meet applicable statutory requirements. Additionally, each policy shall contain an endorsement waiving all rights of subrogation against the City, and its employees, agents, elected officials and officers.

Section 7.03 - Employer's Liability. The CVTD shall maintain employer's liability insurance in the minimum amount of \$1,000,000 per occurrence for personal injury, bodily injury or death to any employee of the CVTD who may bring a claim outside the scope of the Texas Workers Compensation laws or federal acts applicable to the CVTD's operation of the vehicles. Additionally, each policy shall contain an endorsement waiving all rights of subrogation against the City, and its employees, agents, elected officials and officers.

Section 7.04 - Automobile Liability Insurance. The CVTD shall maintain automobile liability insurance coverage on the vehicles in the minimum amount of \$2,000,000 combined single limit coverage per occurrence. The automobile liability coverage shall name the City as an additional insured. Additionally, each policy shall contain an endorsement waiving all rights of subrogation against the City and its employees, agents, elected officials and officers.

Section 7.05 - Automobile Property Damage Insurance. The CVTD shall maintain automobile property damage insurance on the vehicles in the amount of the full replacement value of the vehicles. Such policy shall name City as additional insured. Additionally, each policy shall contain an endorsement waiving all rights of subrogation against the City, and its employees, agents, elected officials and officers.

Section 7.06 - Waiver of Subrogation. The CVTD agrees to waive any and all rights of recovery, claims, actions or causes of action against the City, its employees, agents, elected officials and officers for any injury, death, loss or damages that may occur to persons, property, or to the vehicles, or any personal property of such party on the vehicles by reason of fire, windstorm, earthquake, flood or any other risks or any other cause that is insured under the insurance policy or policies that the CVTD is required to provide or maintain under this Agreement to the extent and only to the extent of any proceeds actually received by the CVTD, with respect thereto, regardless of cause or origin, including negligence of City, its employees, agents, elected officials and officers and CVTD covenants that no insurer will hold any right of subrogation against the City.

Section 7.07 - Waiver of Subrogation. The City agrees to waive any and all rights of recovery, claims, actions or causes of action against the CVTD, its employees, agents, elected officials and officers for any injury, death, loss or damages that may occur to persons, property, or to the vehicles, or any personal property of such party on the vehicles by reason of fire, windstorm, earthquake, flood or any other risks or any other cause that is insured under the self-insurance plan or the insurance policy or policies of the City, to the extent and only to the extent of any proceeds actually received by the City, with respect thereto, regardless of cause or origin, including negligence of CVTD, its employees, agents, elected officials and officers and City covenants that no insurer will hold any right of subrogation against the CVTD.

Section 7.08 - Insurance Requirements. Each policy of insurance required to be maintained by the CVTD under the terms of this Agreement shall be written by a company satisfactory to the City, but in all events by a company with an A.M. Best Company financial rating of not less than A and be

licensed to do business in Texas or, if the aforesaid is not available, by a company qualified to do business as a non-admitted insurer in Texas under current Texas surplus lines requirements.

Notwithstanding the foregoing, the CVTD may secure insurance coverage with the Texas Municipal League. All policies may contain a deductible of not more than \$5,000. Such policies shall be endorsed so as to require 30 days prior written notice to the City in the event of cancellation, material change or intent not to renew. The CVTD shall deliver to the City a certificate of insurance for each policy no later than the Effective Date.

Evidence of coverage shall always be deposited with the City. If the CVTD fails to do so, such failure may be treated as a default. In the event of a default, in addition to any other remedy under this Agreement, City may purchase and maintain such policies and the CVTD shall immediately reimburse City for any premiums paid or costs incurred by City in providing such insurance.

Section 7.09 - Indemnity Requirements for CVTD. FOR CONSIDERATION RECEIVED and to the extent permitted by law, the CVTD agrees to indemnify, save, and hold harmless the City, its employees, agents, elected officials, and officers from any and all claims, actions, damages, lawsuits, proceedings, judgments, or liabilities, for personal injury; death, or property damage resulting from the acts or omissions of the CVTD or acts or omissions of others under CVTD's supervision or control arising out of the use of the vehicles and the shuttle system.

In the event of any cause of action or claim asserted by any third party, the City will provide the CVTD timely notice of such claim, dispute or notice. Thereafter, to the extent allowed by law, the CVTD shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action or notice.

If the CVTD should fail to defend, the City may defend, pay or settle the claim or other cause of action with full rights of recourse against the CVTD for any and all fees, costs, expenses, and payments, including but not limited to attorney's fees and settlement payments, made or agreed to be paid in order to discharge the claim, cause of action, dispute or litigation, to the extent allowed by law.

Section 7.10 - Indemnity Requirements for City. FOR CONSIDERATION RECEIVED and to the extent permitted by law, the City agrees to indemnify, save, and hold harmless the CVTD, its employees, agents, elected officials, and officers from any and all claims, actions, damages, lawsuits, proceedings, judgments, or liabilities for injury, death, or property damage resulting from the acts or omissions of the City or acts or omissions of others under the City's supervision or control arising out of the operation of the vehicles and the shuttle system.

In the event of any cause of action or claim asserted by any third party, the CVTD will provide the City timely notice of such claim, dispute or notice. Thereafter, to the extent allowed by law, the City shall at its own expense, faithfully and completely defend and protect the CVTD against any and all liabilities arising from this claim, cause of action or notice.

If the City should fail to defend, the CVTD may defend, pay, or settle the claim or other cause of action with full rights of recourse against the City for any and all fees, costs, expenses, and

payments, including but not limited to attorney's fees and settlement payments, made or agreed to be paid, in order to discharge the claim, cause of action, dispute or litigation, to the extent allowed by law.

ARTICLE 8- DEFAULT AND REMEDIES

Section 8.01 - Event of Default. Each party reserves the right at its option, to terminate this Agreement for cause, in the event of a default or breach of this Agreement (an "Event of Default") by the other party, by giving the other party twenty (20) days written notice of such default or breach provided the other party has not cured such default or breach within the twenty (20) day period.

Section 8.02 - Mitigation. The non-defaulting party has a duty to mitigate damages upon the occurrence of an Event of Default.

Section 8.03 - Payment by the Defaulting Party. Upon any Event of Default, the defaulting party shall pay to the non-defaulting party all costs incurred by the non-defaulting party (including court costs and reasonable attorneys' fees and expenses) in performing the defaulting party's obligations that the defaulting party failed to perform, and enforcing, or advising of its rights, remedies, and recourses arising out of the Event of Default.

Section 8.04 - Other Remedies. All rights, options, and remedies of each party contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and non-defaulting party shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement.

ARTICLE 9 - LIABILITY

Section 9.01 - No Personal Liability of the CVTD. To the extent allowed by law, CTVD's officers, elected officials, agents and employees and the Board members of the CVTD, either singularly or collectively, are not personally liable on this Agreement or for any breach thereof.

Section 9.02 - No Personal Liability of the City. To the extent allowed by law, the City's officers, elected officials, agents and employees, either singularly or collectively, are not personally liable on this Agreement or for any breach thereof.

ARTICLE 10 - MISCELLANEOUS

Section 10.01 - Right of Entry and inspection. The CVTD will permit the City or the City's agents, representatives, or employees to enter and inspect the vehicles at reasonable times and upon having given the CVTD reasonable notice of the inspection.

Section 10.02 Force Majeure. Except for the City's obligation to provide a local contribution to the CVTD and the CVTD's obligation to obtain insurance as required in this Agreement, the CVTD and the City are excused from performing any of their respective duties, obligations or undertakings under this Agreement in the event and so long as the performance of such duty, obligation or undertaking is prevented, delayed, retarded or hindered by an Act of God, epidemic, fire, hurricane, earthquake, flood, explosion, action of civil commotion, sabotage, malicious mischief; strike, lockout, action of labor unions, condemnation, governmental restriction, order of civil or military or naval authorities, embargo, impossibility of obtaining materials, or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control of the party in question. Either party entitled to such extension hereunder will give prompt written notice to the other party as soon as possible after the occurrence causing such delay asserting its claim of right to such extension and the reasons therefore.

Section 10.03 - No Waiver. No waiver by either party of any default or breach of any covenant, condition, or stipulation contained in this Agreement is a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation of this Agreement.

Section 10.04 - Laws. The parties hereto agree to abide with all applicable laws, rules, regulations, and grant provisions of the United States, the State of Texas, and any other lawful authorities having jurisdiction.

Section 10.05 - Notices. All notices, demands, or requests from one party to another shall be in writing and shall be personally delivered, sent by mail, certified registered, express or overnight, postage prepaid, or sent by facsimile transmission to the addresses stated in this Section, or to such other address as the party may request in writing, and are deemed to have been given at the time of delivery. The CVTD's address is 2800 West Loop 306, Suite A, San Angelo, Texas 76904 (for U.S. Mail) or (325) 947-8286 (for facsimile transmissions), in any case to the attention of the Director of Transportation. The City's address is 72 West College, San Angelo, Texas 76903 (for U. S. Mail, express or overnight mail), or (325) 657-4335 (for facsimile transmissions), in any case to the attention of the City Manager.

Section 10.06 - Parties Bound. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective legal representatives, successors, and permitted assigns.

Section 10.07 - Texas Law to Apply and Venue. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Tom Green County, Texas.

Section 10.08 - Legal Construction. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability does not affect any other provision hereof and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, if consistent with the overall intent of this Agreement.

Section 10.09 - Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the parties with respect thereto.

Section 10.10 - Amendment. No amendment, modification, or alteration of the terms of this Agreement is binding unless in writing, dated-subsequent to the Effective Date and executed by the CVTD and the City or their successors and permitted assigns.

Section 10.11 - Exhibits. All Exhibits attached to this Agreement are incorporated by reference.

Section 10.12 - Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart is deemed to be an original instrument, but all such counterparts together constitute but one Agreement. A photocopy or facsimile reproduction of an original signature of a party on this Agreement binds that party to the terms, covenants and conditions of this Agreement.

Section 10.13- Time is of the Essence. Time is of the essence in this Agreement.

Section 10.14 - Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and do not affect the interpretation of this Agreement.

Section 10.15 - Discrimination. In connection with its use of the vehicles and the operation of the transit system, neither party shall discriminate against any person, employee, or applicant for employment because of race, religion, color, or national origin.

Section 10.16 – Entire Agreements. The City and CVTD recognize that continued cooperation and agreement regarding jointly developed passenger amenities, facilities, and programs will require the City and CVTD to enter into agreements mutually beneficial to both parties. Accordingly, the City Manager and Director of Transportation of CVTD are authorized to enter into agreements which meet the objectives identified above, and to the extent of the budgetary resources identified herein.

This Agreement has been executed by the parties effective as of the date and year first above written.

(Signature page to follow)

**CVTD
BOARD OF DIRECTORS
CONCHO VALLEY TRANSIT DISTRICT**

By: _____

Name: _____

Title: _____

ATTEST:

**CITY
CITY OF SAN ANGELO, TEXAS**

By: _____

Daniel Valenzuela, City Manager

ATTEST:

Bryan Kendrick, City Clerk

Approved as to Content:

Approved as to Content:

Morgan Chegwiddden, Budget Manager

Approved as to Form:

Tina Dierschke, Finance Director

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Jon James, Director of Planning & Development Services, Planning and Development Services, x1180

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider authorizing the expenditure of up to \$10,000 in Tax Increment Reinvestment Zone (TIRZ) funds for the purpose of repair, replacement, and general maintenance of streetscaping along Chadbourne Street installed using TIRZ funds. (J. James)

Summary/History:

During their October 25th meeting, the TIRZ Board was presented with a proposal by staff to initiate a recurring maintenance program for the streetscapes originally installed using TIRZ funds. This streetscaping included landscaping, lights, electrical outlets, irrigation systems, and decorative street lights and signs. Staff proposed authorizing approximately \$6,500 in TIRZ funds annually to maintain the existing streetscape elements, since the adjacent property owners (responsible under city ordinances for the maintenance) have not been adequately maintaining these in some locations.

However, the TIRZ Board expressed some concerns about committing funds on a recurring basis and suggested instead funding a one-time expenditure to inventory, repair, and replace the existing streetscape elements to bring them back up to where they should be and then to work with property owners, with the help of Downtown San Angelo, Inc., to encourage adequate maintenance moving forward.

Financial Impact:

This action would authorize staff to expend Tax Increment Reinvestment Zone funds not to exceed \$10,000.

Other Information/Recommendation:

At their October 25, 2016 meeting, the TIRZ Board recommended authorizing up to \$10,000 of TIRZ funds for a one-time expenditure for the repair and replacement of streetscape elements necessary to restore the streetscape to its original condition. The vote to recommend approval was passed unanimously by the Board.

Attachments:

1. TIRZ Funding Resolution 16-405_PLANN_TIRZ_STREETSCAPE_MAINTENANCE_RESO.docx
2. TIRZ Board DRAFT Minutes (October 25, 2016) October 25, 2016 Minutes.docx

Presentation:

Jon James

Approvals/Reviews:

Jon James

Jon James

Created/Initiated

Approved

Theresa James
Anthony Wilson
Jon James
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Approved
Approved
Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO, TEXAS, ACCEPTING RECOMMENDATION OF THE TAX INCREMENT REINVESTMENT ZONE (TIRZ) BOARD AUTHORIZING THE EXPENDITURE OF UP TO \$10,000, OF TIRZ FUNDS FOR MAINTENANCE OF SIDEWALK, PEDESTRIAN ACCESS IMPROVEMENTS AND COORDINATED STREET LANDSCAPING (“STREETSCAPE”) THAT WERE PARTIALLY TIRZ FUNDED.

WHEREAS; the TIRZ Board has authorized funding for projects related to sidewalk pedestrian access improvements and coordinated street landscaping (“streetscape”) and,

WHEREAS, the Board has determined that maintenance responsibilities related to the recently installed streetscape need to be provided for due to apparent inconsistent maintenance; and,

WHEREAS, at the regular meeting of the Board on October 25, 2016, the need for funding of streetscape maintenance was discussed and a recommendation to City Council approved for application of TIRZ funds therefore not to exceed \$10,000;; and,

WHEREAS, at a joint public meeting of the TIRZ Board and City Council held on November 15, 2016, the responsibility for maintenance of TIRZ funded streetscape was discussed;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS THAT:

The recommendation of the TIRZ Board is accepted and City Council for the City of San Angelo, Texas, hereby authorizes the expenditure of up to TEN THOUSAND AND NO/100 DOLLARS (\$10,000) of TIRZ funds for maintenance of TIRZ funded sidewalk, pedestrian access improvements and coordinated street landscaping (“streetscape”).

PASSED and APPROVED THIS _____ DAY OF _____, 2016.

CITY OF SAN ANGELO, TEXAS

ATTEST:

Daniel Valenzuela, City Manager

Bryan Kendrick, City Clerk

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Jon James, Director of
Development Services

Theresa James, City Attorney

**MINUTE RECORD OF THE CITY OF SAN ANGELO TAX INCREMENT
REINVESTMENT ZONE MEETING HELD ON Tuesday, October 25, 2016
AT 3:00 PM, MCNEASE CONVENTION CENTER, 501 RIO CONCHO DRIVE.**

PRESENT: **Voting Members:** Bill Dendle, Tim Edwards, Brenda Gunter, Dudra Butler, Johnny Silvas, Casey Barrett, Lee Pfluger, Jason Fernandez, Mike Campbell

Non-voting Members: SAISD-Dr. Jeff Bright, DSA-Del Velasquez, GAFB-Cindy Bentfield

ABSENT: No voting members were absent.

STAFF: Jon James
 Sarah Tackett
 Rick Weise
 Shannon Scott
 Bob Schneeman

I. Call to order, establish quorum.

The meeting was called to order at 3:00 pm. It was established that a quorum was present.

II. Public comment.

No public comment.

III. Consideration of approving the minutes from the September 27, 2016 TIRZ Board Meeting.

Motion to approve the September 27, 2016 Board Minutes with corrections by Mr. Lee Pfluger, seconded by Ms. Brenda Gunter and carried unanimously.

IV. Financial Report.

Mr. Jon James presented an overview of the financials for the North and South TIRZ. An updated copy of the financials was handed out to the board. Ms. Brenda Gunter asked if a prospective recipient could start working on their project before they had received a letter to proceed. Mr. Jon James explained that on a particular project the amount was in excess of \$300,000; therefore, the portion of work they started is not

included in the incentive amount. Mr. Jon James added that a portion of the committed funds are for prior year's projects.

No action taken.

V. Discussion and consideration of Incentive Funding for TJ's Frozen Yogurt.

Mr. Jon James stated at the last meeting we did discuss funding this project. Since the last meeting, this business has closed; they are still seeking funding. Mr. Jon James added that staff is asking the board today for their direction. Ms. Brenda Gunter stated that she feels like we should pull back funding since the improvements were very specific to this business. Mr. Johnny Silvas and Mr. Jason Fernandez agreed with Ms. Brenda Gunter. Mr. Johnny Silvas asked if we could discuss any other projects. Mr. Jon James responded, no we may not at this time. Ms. Janet Lay, owner of the property at 1313 North Bryant; we are still planning to make the improvements to the property. Due to financial reports we realized we needed to add food to the menu and we don't do food. The patio and parking lot would add seating and parking; it would be a great improvement to this building.

Motion to pull funding by Mr. Lee Pfluger, second by Mr. Mike Campbell; motion passes 8-1, nay - Mr. Tim Edwards.

VI. Discussion and consideration of funding a Streetscape Maintenance Contract for the TIRZ.

Mr. Jon James stated that this project was discussed back in June. This contract would help maintain the streetscaping on Chadbourne Street from Concho Avenue to Twohig; 3rd to 5th Street; 18th Street to 20th Street.

\$6,500 was the lowest bid + \$1,000 contingency. Proposing a 3 year contract, renewable for 2 one-year extensions. This contract includes maintenance for TIRZ-funded landscaping; to include bed maintenance, tree and shrub maintenance, irrigation systems, and general cleanup. Average 1 to 2 visits per month based on season. Intentions would be to expand this contract if additional streetscaping is completed. Mr. Casey Barrett asked who this RFB was sent to. Mr. Jon James stated that 5 were sent out, 2 bids were received. Funds would be taken out of north or south proportionately. Mr. Lee Pfluger stated that there was some damage to previous items that were installed; electrical, trees that were dead; this a departure from earlier discussions. Ms. Brenda Gunter asked if the \$6,500 included the items that Mr. Lee Pfluger asked about. Mr. Jon James stated that some of those could come out of the contingency. Mr. Lee Pfluger stated that there were multiple issues with electrical outlets. Mr. William Dendle added that is how he remembers the

conversation. Mr. Lee Pfluger asked how much effort has been put in by staff to have business owner's upkeep their property. Mr. Rick Weise added that these items predate Mr. Jon James and myself; our goal is to keep these items maintained. We may need to have a work session with Council to discuss how to fund these items. Mr. Brenda Gunter asked what does \$6,500 actually buy? Mr. Jon James gave an overview of what the bid included. Ms. Brenda Gunter stated that DSA could go visit with business owners to discuss how to maintain their property. Mr. Lee Pfluger stated that he planted the live oak trees on Concho. Mr. Lee Pfluger stated that the city needs to get their protocol correct as to who should maintain.

Mr. Lee Pfluger made a motion for staff to fund up to \$10,000 to repair items and replace trees, seconded by Ms. Brenda Gunter and carried unanimously.

VII. Discussion and consideration of possible changes to the Project Plan.

Mr. Jon James stated he previewed this item at the last minute. All members of the board did receive the project plan. Mr. Jon James presented the following information regarding the 5 topics:

Topic #1 –Public vs. Private

- 50/50 split?
- Other split?
- Determine each year based on proposed projects?
- Staff believes that at a minimum the plan should include a goal that some portion of the funds go toward public improvements

Topic #2 –Types of public projects

- No street paving/streets projects?
- Limited to streetscaping (landscaping, street lights, sidewalks, street furniture, etc.)
- What about other public projects such as utilities, drainage, library or other public buildings, parks, etc.?
- What about studies, plans, project design, etc.? (example: Downtown Streetscape Master Plan)

Topic #3 –Types of private incentives

- Only visible / aesthetic improvements?
- Also include functional internal improvements (defray costs to bring old buildings up to code)
- Paving & parking lots?
- Only if including aesthetic improvements?

Topic #4 –Different North and South

- Project categories and eligible funding can be varied and apply differently in the north and south

Topic #5 –Funding non-profits

- Should non-profit entities (churches, charitable organizations, etc.) be eligible for funding?
- Pro: Improvements, especially visible improvements, can help revitalize an area and create aesthetic improvements
- Con: These properties do not pay taxes and therefore do not create new tax increment

Mr. Casey Barrett spoke with regards to Topic #1, I think we need to set aside some money for a goal. Ms. Brenda Gunter agreed; we need to reserve money for large streetscape projects; it is very important for our historic business district. I believe lighting is a very important part. I think we need to reserve money on an ongoing basis. Mr. Lee Pfluger stated he agreed, but we need a plan. He added, I am representing the county; they are interested in increasing the tax base. We need to get our vacant buildings occupied and paying taxes. Ms. Brenda Gunter stated that we do have a Streetscape Plan for downtown; it is complete and has been approved. Prices may need to be updated. Mr. Bill Dendle suggested that each board member email their thoughts/suggestions regarding each of the 5 topics to City Staff.

No action taken.

VIII. Announcements.

- a) Next Meeting – Tuesday, November 22, 2016

Discussed possibly moving the next meeting to November 29, 2016.

IX. Adjournment.

Motion to adjourn by Mr. Lee Pfluger, seconded by Mr. Johnny Silvas and carried unanimously. Meeting adjourned at 4:12 PM.

Bill Dendle, TIRZ Chairman

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Second Reading for Case PD16-05, an Ordinance approving a request for a rezoning from the General Commercial (CG) Zoning District to the Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop, and Outdoor Storage, generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765, on approximately 8.140 acres. (J. James)

Summary/History:

The 8.140-acre subject property was part of an overall 53-acre rezoning from the Rural and Estate (R&E) Zoning District to the General Commercial (CG) Zoning District (RE: Z14-30, approved 11/4/2014). Also approved on November 4, 2014, was a petition for a Special Use for the entire 53 acres (subject property inclusive), SU14-04 (Chris Shrum). The Special Use allows limited outdoor storage uses generally allowed in the Office use category on a property located within the General Commercial (CG) Zoning District. On December 1, 2015, City Council approved an amendment to the Special Use to allow additional uses such as repair, refueling, maintenance of equipment and indoor storage of equipment and materials.

The Petitioner now seeks to rezone the entire 8.140-acre property to a Planned Development to both legitimize a fence which was constructed inconsistent with Zoning Ordinance requirements and allow for an intensification in use of the property.

Financial Impact:

N/A

Other Information/Recommendation:

This request was scheduled for review and consideration on the October 17, 2016, Planning Commission. In a 6-0 vote, the Commission recommended APPROVAL of the request.

Attachments:

- | | | |
|----|-----------------|--|
| 1. | Staff Report | PD16-05_Staff Report_City Council.docx |
| 2. | Draft Ordinance | PD16-05_Ordinance_FINAL.docx |
| 3. | Exhibit A | PD16-05_Ordinance_EX-A.pdf |
| 4. | Exhibit B | PD16-05_Ordinance_EX-B.pdf |

Presentation:

Jon James

Approvals/Reviews:

Rebeca Guerra

Created/Initiated

Jon James	Approved
Theresa James	Approved
Anthony Wilson	Approved
Jon James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

STAFF REPORT



Meeting: November 15, 2016
December 6, 2016

To: City Council

From: Jon James, AICP
Director of Planning and Development Services

Through: Rebeca A. Guerra, AICP, LEED-AP, CPD
Planning Manager

Case: PD16-05

Request: A request for approval of a Rezoning from the General Commercial (CG) Zoning District to the Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop, and Outdoor Storage

Location: 4750 South Chadbourne Street (Texas Farm-to-Market Road 1223); generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765

Legal

Description: Lot 2, Block 1, Section 1, Krislynn Subdivision

Size: 8.140 acres

General Information

Future Land Use:	Commercial
Current Zoning:	General Commercial (CG)

Existing Land Use: Construction office, accessory shop building and limited outdoor storage under an approved Special Use (RE: SU14-05, approved 12/16/14 and amended 12/1/15)

Surrounding Zoning / Land Use:

North:	General Commercial (CG)	Vacant land
West:	Light Manufacturing (ML)	Vacant land; Construction Equipment Company
South:	General Commercial (CG); Rural/Estate (R&E)	Vacant land
East:	General Commercial (CG)	Vacant land

District: SMD #1 – Bill Richardson

Neighborhood: Glenmore

Thoroughfares/Streets:

Per the Master Thoroughfare Plan (MTP), South Chadbourne Street (Texas Farm-to-Market Road 1223) is designated as an Urban “Major Arterial” in the City’s MTP, and is under TxDOT jurisdiction. Urban Arterial Roads have their origin and termination at some point outside of the city limits and are designed to connect Collector Streets to freeways and other arterials that carry large volumes of traffic at high speeds. Arterials typically require a minimum right-of-way width of eighty feet and a minimum paving width of 64 feet.

Background:

The 8.140-acre subject property was part of an overall 53-acre rezoning from the Rural and Estate (R&E) Zoning District to the General Commercial (CG) Zoning District (RE: Z14-30, approved 11/4/2014). The original petition was for Heavy Commercial (CH) zoning, but both the Planning Commission and the City Council concurred with Staff that a General Commercial category would be more appropriate, given the close proximity to single-family estate residential to the east and the zoning requested in proportion to the intended use, which was an “office with outdoor storage for communications equipment” (RE: Conditional Use CU14-11, which was located outside of the subject area). Also approved on November

4, 2014, was a petition for a Special Use for the entire 53 acres (subject property inclusive), SU14-04 (Chris Shrum). The Special Use allows limited outdoor storage uses generally allowed in the Office use category on a property located within the General Commercial (CG) Zoning District, subject to the following Conditions:

- a. Limited outdoor storage shall be defined in Section 504.B of the Zoning Ordinance and be utilized exclusively for uses that are consistent with the “Office” use category.
- b. Outdoor storage shall be located behind any proposed office structures. (Furthermore), any areas that are visible from a right-of-way shall be screen with a 6-foot opaque fence.
- c. All exterior lighting shall be shielded and positioned in such a manner so as to not spill over onto any adjacent property.
- d. The storage of hazardous materials on the subject property shall be prohibited.

One month later, on December 16, 2014, City Council approved SU14-05 (Shrum/Cardenas), a Special Use request specific to only an 8.140-acre portion of the 53-acre site (the subject property), to facilitate a “contractor’s office with outdoor storage associated with the “Office” use category.” As approved, the Special Use allows limited outdoor storage uses generally allowed in the Office use category on a property located within the CG Zoning District, subject to the same Conditions outlined in the previously authorized Special Use, SU14-04.

According to the site plan upon which SU14-05 is based, all activity is confined to a 4.13-acre portion of the overall 8.14-acre subject property; no activity or storage outside of the 4.13 acres was indicated. In reference to Section 504.B of the Zoning Ordinance, the Special Use limited the site to Type-2 Limited Outdoor Storage, not to exceed either 1,000 square feet or ten percent (in this case approximately 17,950 square feet) of the activity area, whichever was greater. Under the approved Special Use, only outdoor storage consistent with office uses would be allowed.

The 8.14-acre subject property, Lot 2, Block 1, was subsequently established by recorded plat in March of 2015 (Krislynn Subdivision – Section 1 [Cabinet G, Slide 283]). Afterwards, an amendment to SU14-05 was authorized by the City Council on December 1, 2015, to facilitate the following:

- a. Equipment repair of brake shoes, lamp replacement, spark plug replacement, and some electrical wiring work on trailers;

- b. Equipment maintenance to include oil changes, air and fuel filter replacement, parts lubrication, and washing/cleaning;
- c. Indoor storage of tools to support the aforementioned equipment repair and maintenance work, as well as storage of specialty tools for the “utility trade,” such as gas tampers, sewer laser beam, chains and slings and water main tapping equipment; and
- d. An above-ground fuel storage tank for equipment fueling purposes only.

The amendment to the Special Use allows additional uses such as repair, refueling, maintenance of equipment and indoor storage of equipment and materials, subject to the following Conditions:

- a. Construction of any permanent, limited outdoor storage, as defined in Section 504.B of the Zoning Ordinance, shall be limited to a maximum of 1,000 square feet and shall be utilized exclusively for uses that are consistent with the “Office” use category.
- b. Outdoor storage shall be located behind any proposed office structures. (Furthermore), any areas that are visible from a right-of-way shall be screen with a 6-foot opaque fence.
- c. All exterior lighting shall be shielded and positioned in such a manner so as to not spill over onto any adjacent property.
- d. The storage of hazardous materials on the subject property shall be prohibited.
- e. All equipment repair and maintenance shall be fully conducted indoors.

The newly imposed limitation on outdoor storage is presumed to have been included to preempt any unwarranted escalation in outdoor storage or intensification toward either a heavy commercial or an industrial use.

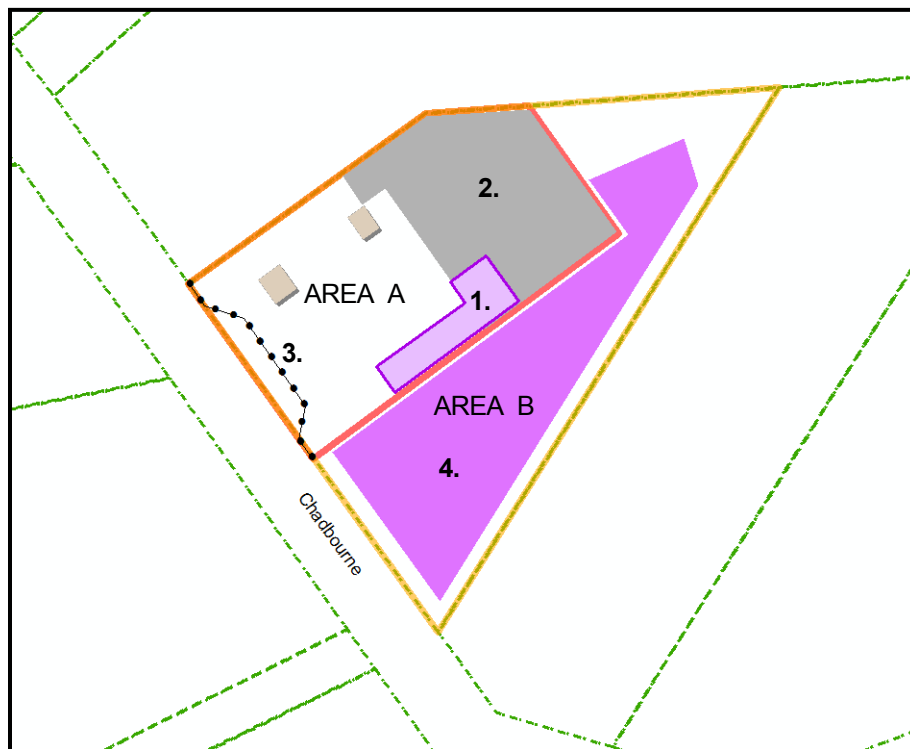
The subject property is irregular in configuration with a northeast-to-southwest orientation and approximately 650 feet of frontage along Chadbourne. The terrain is relatively flat and contains no known unusual topographic issues or site peculiarities. The subject property is subject to the following setbacks: Front – 25 feet; Side and Rear – 0 feet. There is no residential adjacency along the perimeter of the property, therefore buffering is typically not required. The properties surrounding the subject area are heavily wooded.

A two-story office building and separate shop building with canopies have been recently constructed on the subject property. The Petitioner erected a 6-foot-high, screened chain-link fence (fencing with interwoven vinyl slats) along the property’s

Chadbourn Street frontage, which does not conform to Section 509.B.3.a of the Zoning Ordinance (fencing that extends into the front yard setback is limited to a maximum height of four feet). Although the Petitioner sought a variance to allow the fence in its present location (ZBA16-08), it was denied by the San Angelo Zoning Board of Adjustment on July 11, 2016. The Petitioner now seeks to rezone the entire 8.140-acre property to a Planned Development to both legitimize the fence and allow for an intensification in use of the property.

The following activities on both the 4.13-acre activity area, as laid out under the governing Special Use (Area A), and the remaining balance of the subject property (Area B) were observed during a recent site inspection:

1. A concrete batching plant operation located within Area A. This is not permitted either under the approved Special Use or within the General Commercial zone.
2. Outside equipment and vehicle storage situated located within a significant portion of Area A. This is not permitted either under the approved Special Use or within the General Commercial zone.
3. A 6-foot-high screening fence along the front property line of Area A.
4. Several mounds of gravel and various aggregate, as well as heavy truck staging areas, located within Area B. This is not permitted either under the approved Special Use or within the General Commercial zone.



Analysis:

The Planned Development Zoning District is a tailor-made zoning district designed for a specific purpose in a specific location, allowing for greater flexibility, improved design standards, and additional mitigation as deemed necessary and in relation to the surrounding environment. Section 212(G) of the Zoning Ordinance requires that the Planning Commission and City Council consider, at minimum, seven (7) factors in determining the appropriateness of any Rezoning request.

1. **Compatible with Plans and Policies.** *Whether the proposed amendment is compatible with the Comprehensive Plan and any other land use policies adopted by the Planning Commission or City Council.*

With the exception of the concrete batching plant, the activities currently observed on the subject property appear to be in keeping with either the Future Land Use designation of “Commercial” and the intent and direction of the governing Special Use. Discounting the Special Use, the Planned Development should be structured in such a manner as to bring the property as close to conformance with both the underlying General Commercial district and the current Future Land Use as possible, while affording sufficient mitigation to ensure both compatibility with other area businesses and protection to nearby residents. The applicant has indicated that the concrete batching plant will be removed from the site by January 1, 2017.

2. **Consistent with Zoning Ordinance.** *Whether and the extent to which the proposed amendment would conflict with any portion of this Zoning Ordinance.*

The purposes of a Planned Development District include, but are not limited to, the following: (1) To allow diversification of uses, structures, and open spaces and to promote flexibility of design in a manner compatible with existing and allowed uses of land on adjacent properties, (2) To preserve the natural amenities and environmental assets of the land by encouraging the preservation and improvement of open space, (3) To provide an appropriate balance between the intensity of development and the ability to provide adequate supporting public facilities and services, (4) To promote the efficient use of land to facilitate a more economic arrangement of buildings, uses of land and utilities, and (5) To promote the development of vacant property within the presently developed urban (or suburban) area. As a suitable replacement to the Special Use, the proposed Planned Development should bring all uses into conformance with both the underlying zoning district and the current Future Land Use as much as possible, while affording sufficient mitigation to ensure both compatibility with other area non-commercial businesses and protection to nearby residents.

3. **Compatible with Surrounding Area.** *Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land.*

The proposed Planned Development should offer a balance between the construction yard, other well-maintained, non-residential properties along South Chadbourne, and residences to the east and south. The Petitioner is therefore seeking the Planned Development to conduct operations on the property in a manner that is in keeping with the spirit of the Zoning Ordinance while acknowledging that any and all intensive and incompatible uses currently on the property must be removed in a timely fashion.

4. **Changed Conditions.** *Whether and the extent to which there are changed conditions that require an amendment.*

The Petitioner is voluntarily seeking the zone change in an effort to conduct operations on the property within the spirit of the Zoning Ordinance while acknowledging that any and all intensive and incompatible uses currently on the property will be removed by no later than January 1, 2017.

5. **Effect on Natural Environment.** *Whether and the extent to which the proposed amendment would result in significant adverse impacts on the natural environment, including but not limited to water and air quality, noise, storm water management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.*

There could be some appreciable effect on the natural environment, regardless of the level and type of development that could occur with or without a rezoning. The subject property is largely open, and the Petitioner has expressed an intent to store construction related materials outdoors. Due to the current level of activity on the property, there is an appreciable level of heavy truck traffic along both South Chadbourne and nearby Farm-to-Market Road 765 between the site and Loop 306. The Planned Development should provide adequate mitigation to ensure that particulate matter is kept at a minimal to lessen any adverse airborne effects to nearby property owners. The Planned Development will also serve as a means by which the Petitioner can reasonably and timely address and remove any incompatible, non-permitted and high-traffic generating uses.

6. **Community Need.** *Whether and the extent to which the proposed amendment addresses a demonstrated community need.*

There is no any empirical data to suggest the local need for another construction yard or that the introduction of a construction yard onto the subject property will substantially increase job opportunities or generate additional revenue for the City. Conversely, as the construction yard already exists, it appears more reasonable to

establish parameters by which the property can be brought within the spirit of the Zoning Ordinance than it would to shut the operation down.

7. **Development Patterns.** *Whether and the extent to which the proposed amendment would result in a logical and orderly pattern of urban development in the community.*

The Planned Development is intended to limit activity to a level that better reflects area development patterns and is in keeping with the spirit of the underlying zoning district. The uses of the proposed Planned Development would be limited to Office, Shop, and Outdoor Storage, which appears to be in keeping with existing nonresidential development along South Chadbourne.

Notification:

On September 26, 2016, six notifications (five property owners and one to the City of San Angelo) were mailed out. To date, Staff has received one correspondence in support of, and none in opposition to, the request.

Planning Commission Action:

This request was scheduled for review and consideration on the October 17, 2016, Planning Commission. In a 6-0 vote, the Commission recommended APPROVAL of the request. Below is an excerpt from the meeting's unofficial minutes:

The request was for approval of a Rezoning from the Low Rise Multi-Family Residence (RM-1) and Light Manufacturing (ML) Zoning Districts to the Planned Development (PD) Zoning District for a school with accessory uses including: play areas, cafeterias, recreational and sport facilities, auditoriums and before or after-school day care.

David Stallworth, Principal Planner, outlined the case. The Future Land Use of the site is Commercial and current zoning is General Commercial with Special Use approval for a contractor's office with outdoor and indoor storage, as well as the repair, refueling, and maintenance of equipment. He outlined Planning Staff's rationale to recommend approval of the application subject to thirteen conditions of approval. The rationale included that the request was consistent with the Future Land Use designation, that the PD would provide for a unified, cohesive development, and that the indicated uses are not incompatible with existing surrounding uses. No one from the public had any questions, nor did the Commission itself have any questions for Staff or the Petitioner.

Commissioner Crisp made a Motion to recommend APPROVAL of the request, subject to the thirteen Conditions recommended by Staff. Commissioner Farmer seconded the Motion. The Motion passed unanimously, 6-0.

Staff's Recommendation:

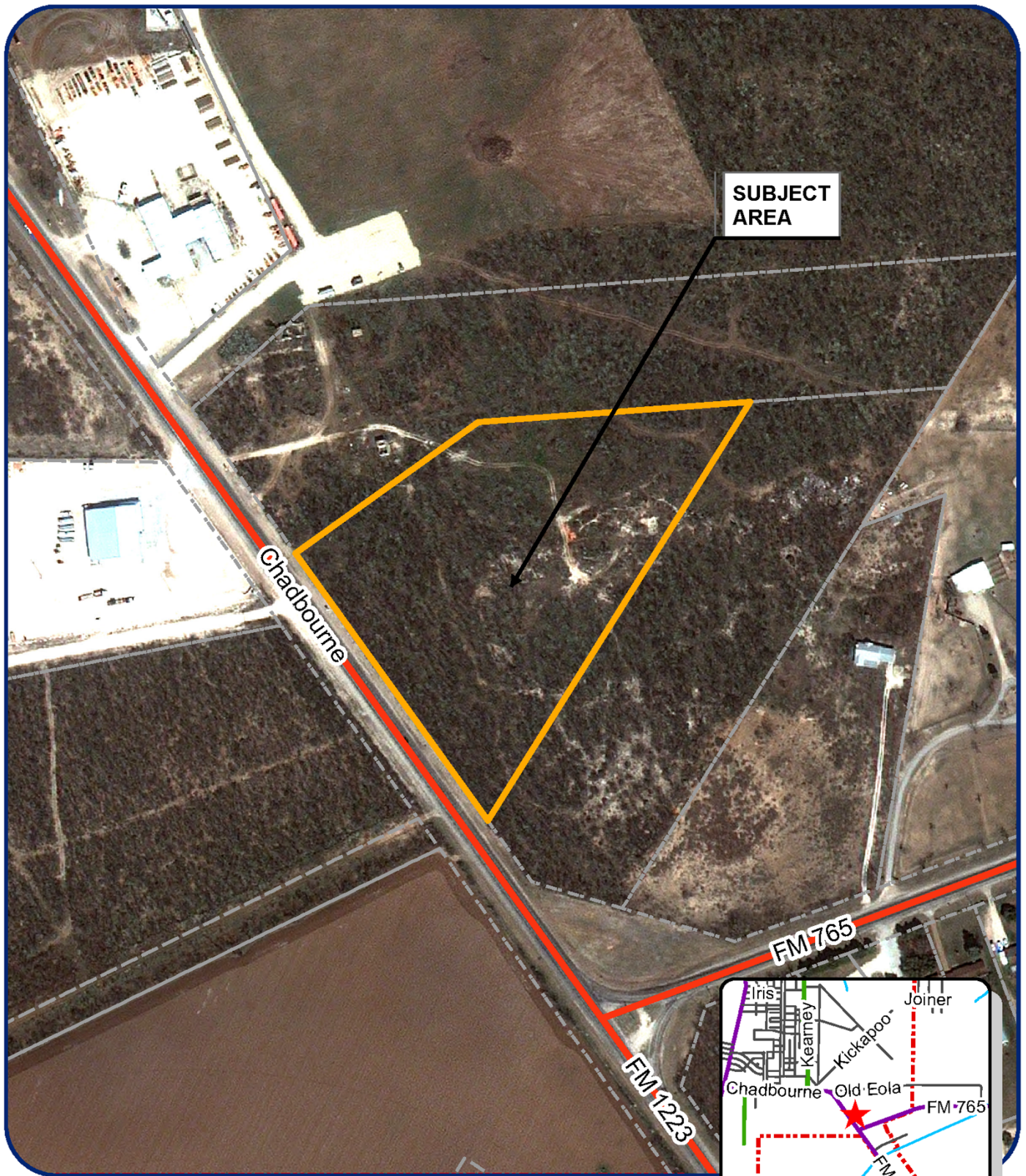
Staff's recommendation is for City Council to **APPROVE** the proposed Rezoning from the General Commercial (GC) Zoning District to the Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop, and Outdoor Storage, **subject to the following thirteen Conditions:**

1. The existing six-foot-high screen fence may be allowed along the front property line of the subject property. The property owner shall have no more than one year from the effective date of the Planned Development to extend this same fencing to the southeast corner of the 8.14-acre site.
2. Outdoor storage for construction-related materials shall not exceed 2.00 acres (87,120 square feet) in land coverage and shall not extend beyond the confines established within Areas One and Two, as shown in Exhibit A-2.
3. All construction-related materials that are stored outdoors shall not exceed a height profile of 20 feet above grade and shall be screened from any view along a public street right-of-way.
4. All business-related gravel, soils, and aggregate to be stored on the premises shall not exceed a height profile of ten feet above grade and shall be screened from any view along a public street right-of-way.
5. All business-related gravel, soils, and aggregate to be stored on the premises shall be satisfactorily covered, or sufficient mitigation measures shall be employed to adequately safeguard against air contamination of dust and particulate matter.
6. Outdoor storage for company vehicles and equipment shall not extend beyond the confines established within Area One, as shown in Exhibit A-1.
7. All outdoor storage areas shall be maintained in a clean and orderly manner. No junk vehicles, scrap metals, metal filings, recyclable materials, vehicle or machinery parts, tires, spent containers or barrels or canisters, household trash, construction or household debris, or other solid/liquid waste shall be stored outdoors on the premises.
8. No hazardous materials shall be stored on the premises. Containers used for the storing of spent lubricants shall be covered and maintained on the premises in a place and manner that will adequately mitigate soil contamination, discourage stockpiling and facilitate a timely disposal schedule.
9. All equipment repair and maintenance shall be fully conducted indoors.
10. No metal fabrication of any kind shall be conducted on the premises.

11. All exterior lighting shall be shielded and positioned in such a manner so as to not spill over onto any adjacent property. Light poles shall not exceed 35 feet in height.
12. The Property Owner shall remove any uses on the property that are not specifically permitted under this Planned Development by January 1, 2017.
13. The following uses shall be allowed on the subject property:
 - a. Construction Yard
 - b. Outdoor construction materials storage
 - c. Outdoor construction equipment and vehicle
 - d. Warehouse buildings for company use only (no manufacturing or fabrication permitted)
 - e. Indoor maintenance shop
 - f. Contractor's office

Attachments:

Aerial Map
Future Land Use Map
Zoning Map
Major Thoroughfare Map
Petitioner's Justification
Concept/Site Plan
Site Photographs

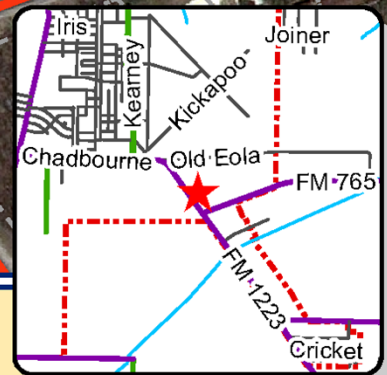


**SUBJECT
AREA**

Chadbourne

FM 765

FM 1223



Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 300 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

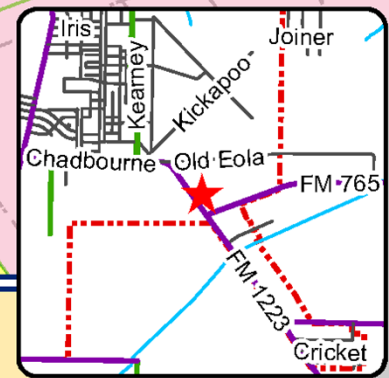
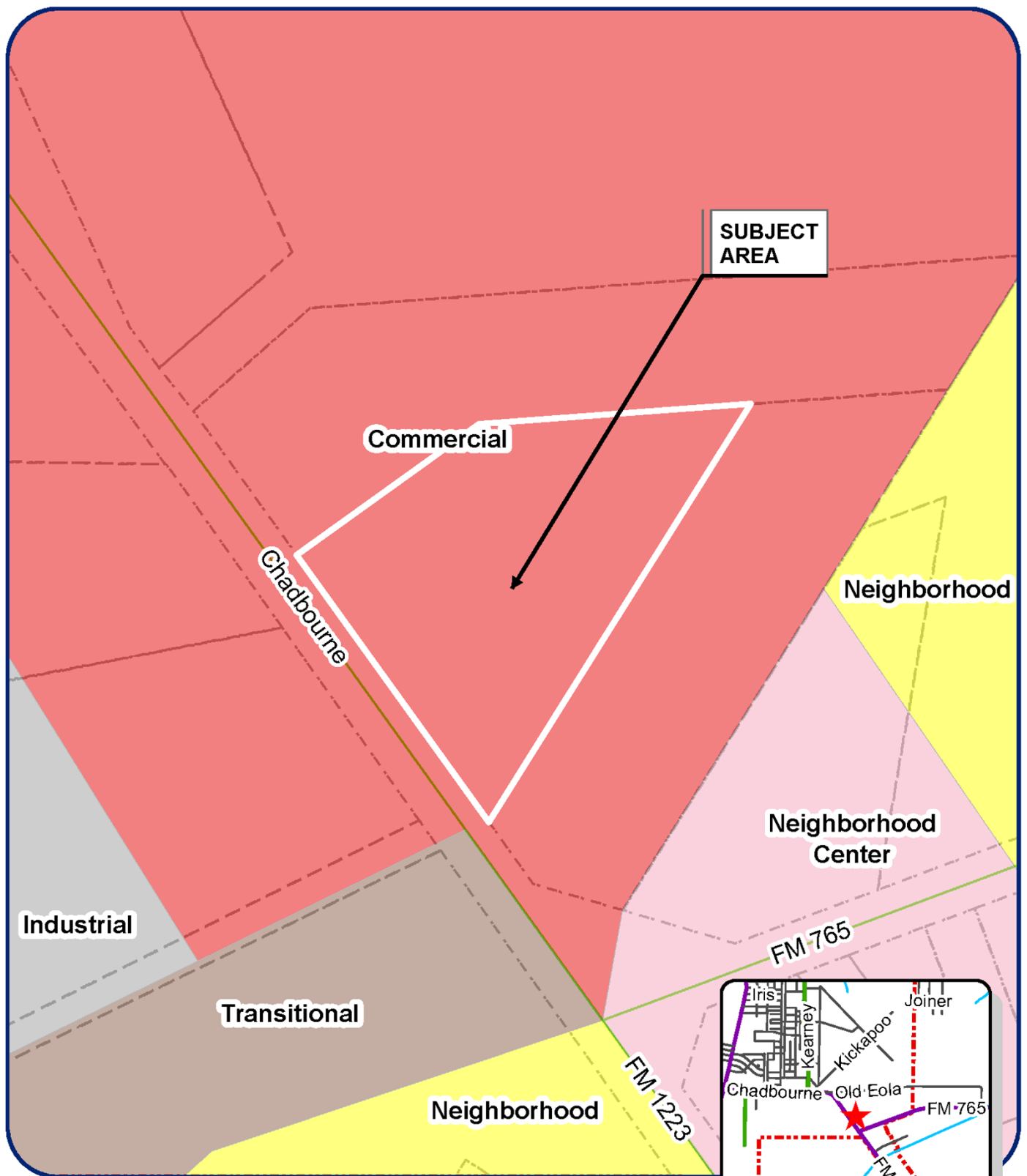
Subject Properties: —

Current Zoning: CG

Requested Zoning Change: PD

Vision: Commercial





N



Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 300 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

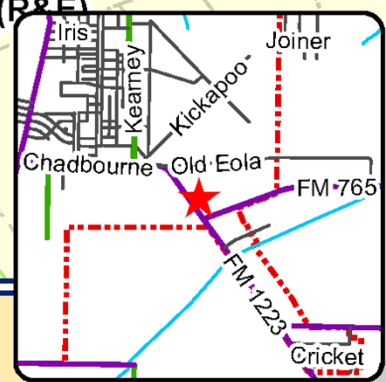
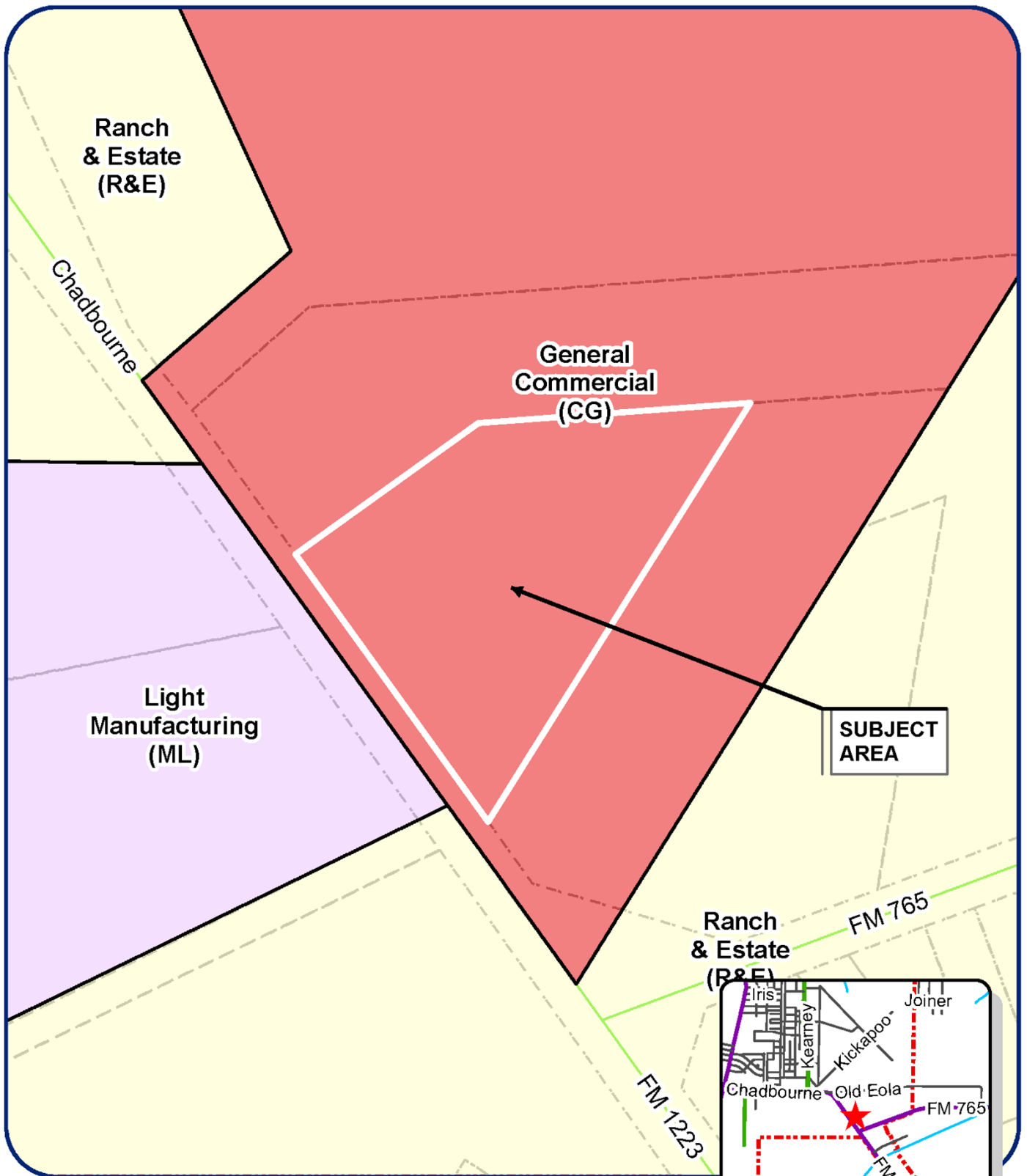
Legend

Subject Properties:

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**



Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 300 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

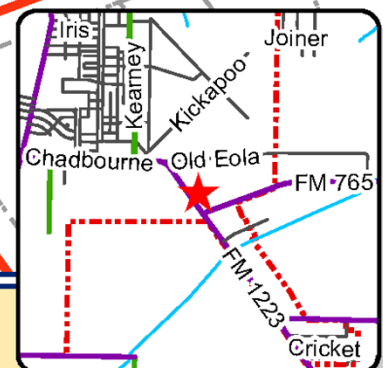
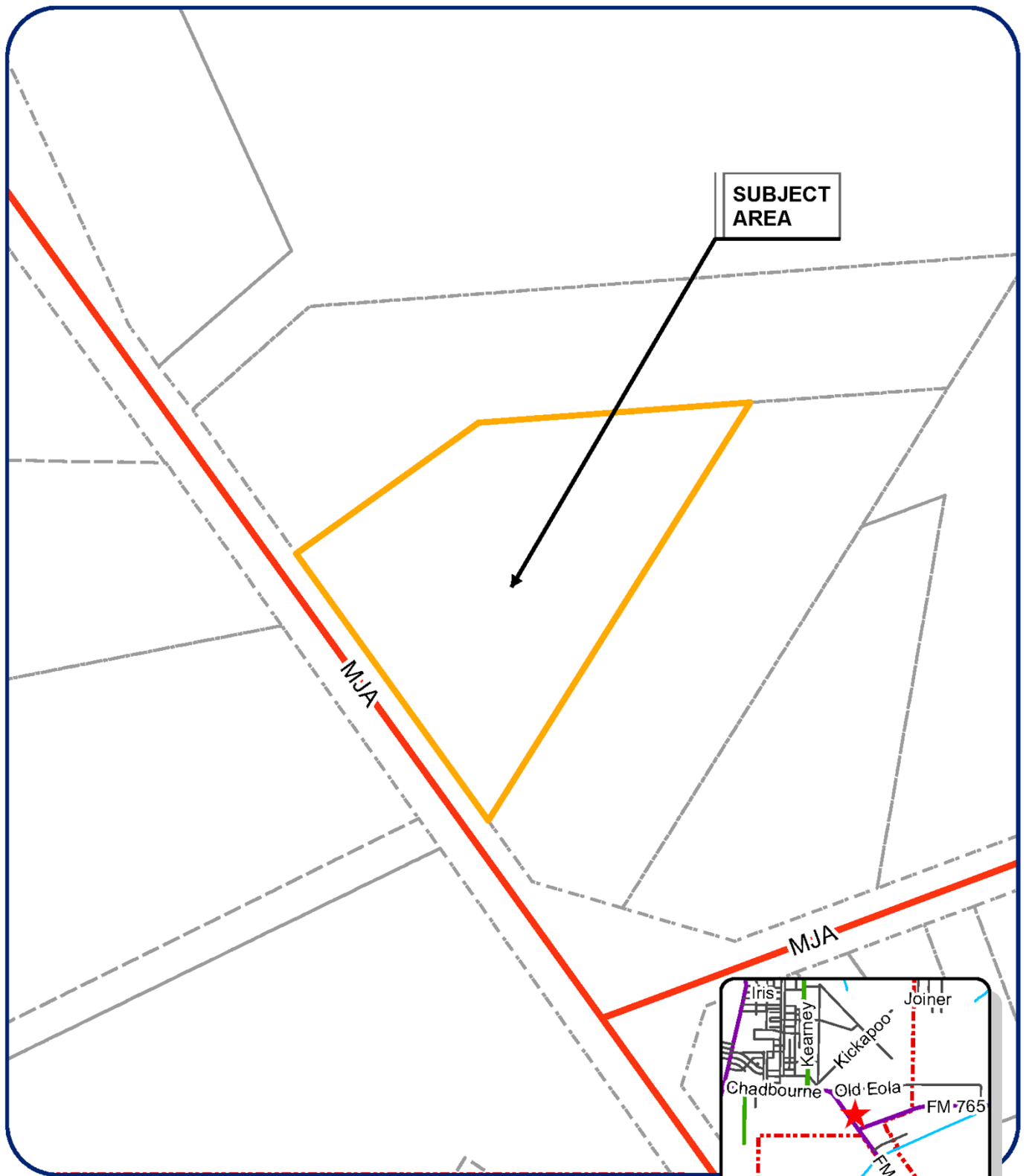
Subject Properties: 

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**





Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 300 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

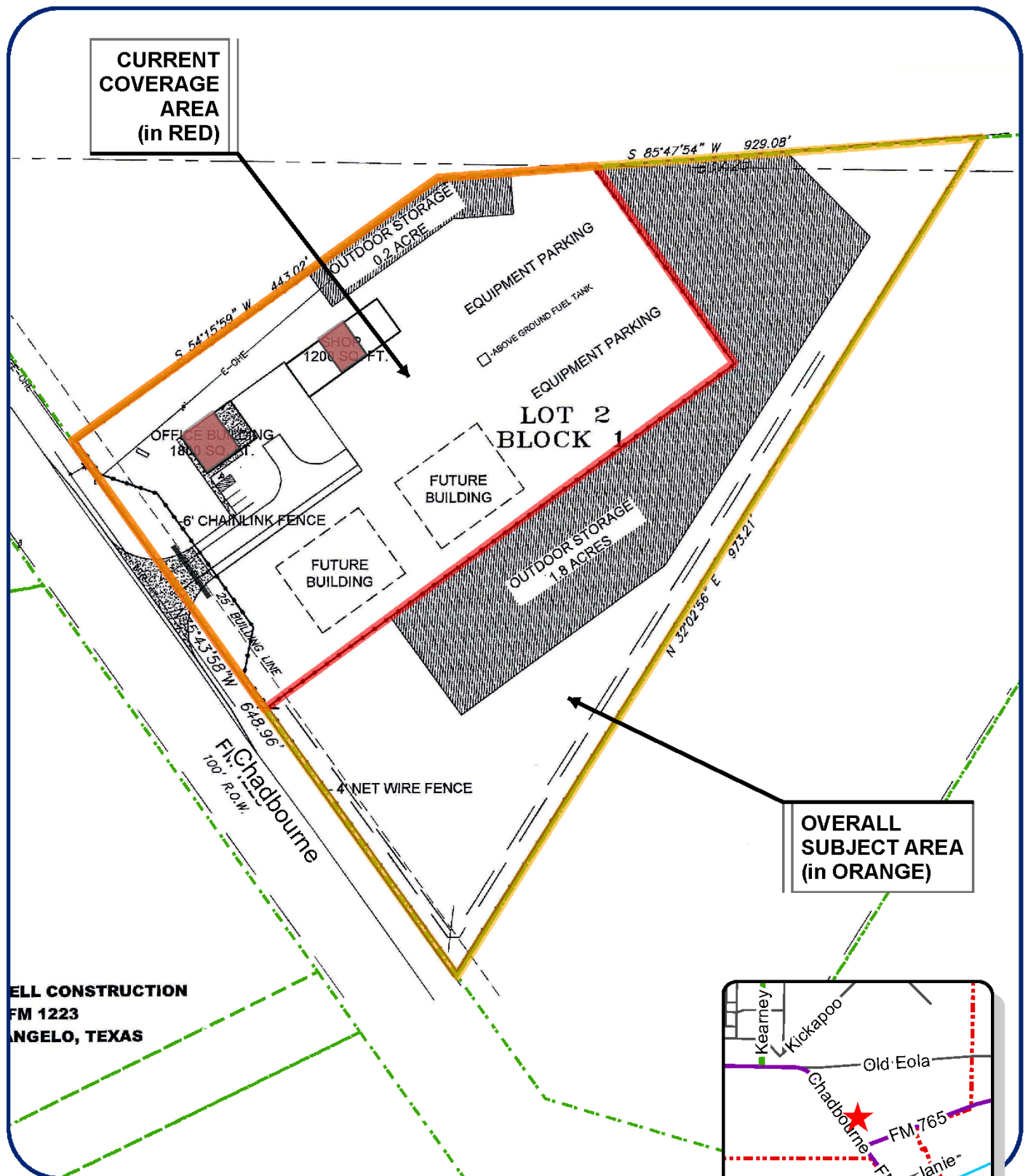
Subject Properties: 

Current Zoning: **CG**

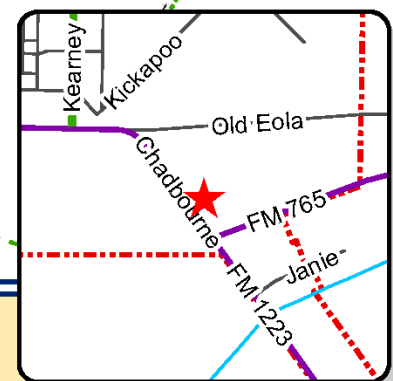
Requested Zoning Change: **PD**

Vision: **Commercial**





ELL CONSTRUCTION
FM 1223
ANGELO, TEXAS



Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch = 150 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property: ——

Existing Coverage: ——

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**



EXHIBIT A-1

AREA FOR
OUTDOOR MATERIALS
STORAGE
(in PURPLE)

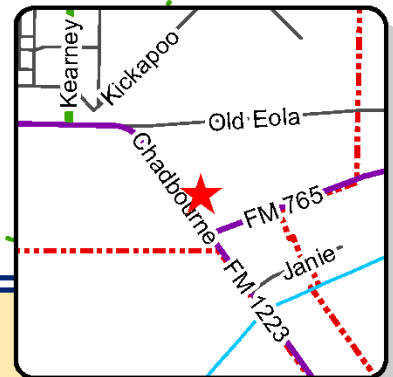
AREA ONE

AREA TWO

Fence extension (in GRAY)

Chadbourne

OVERALL
SUBJECT AREA
(in ORANGE)



Planned Development Case File

Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 150 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property:

Existing Coverage:

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**



EXHIBIT A-2

AREA FOR
VEHICLE/EQUIPMENT
STORAGE
(in LT PURPLE)

AREA ONE

AREA TWO

OVERALL
SUBJECT AREA
(in ORANGE)

Fence Extension (in GRAY)

Chadbourne



Planned Development Case File

Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 in :: 150 ft

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property: 

Existing Coverage: 

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**

N



City of San Angelo, Texas
Planning Division

Application for Approval of a ZONE CHANGE

Name of Applicant(s): DARNELL Const. LLC
Darrell Properties (David + Jody Darrell - owners)

- Owner - Authorized Representative (Affidavit required)

Mailing Address: 4750 S. Chadbourne St. Telephone: 325-653-1920

City/State/Zip: SAN ANGELO, TEXAS 76904 Fax/other: 325-658-5324

Subject Property Address and/or Location*:

4750 S. Chadbourne St. SAN ANGELO, TX. 76904

Legal Description*:

Lot Two (2) Block one (1) Section one (1) Krislynn Sub Division to the City of SAN ANGELO, Tom Green County - Cabinet "G" at Slide #283 of The Plat records of Tom Green County

Zoning: GC Vision Plan Map Designation: Commercial

Existing Use of Property: Construction yard - office + shop

Proposed Use of Property: Construction yard - office + shop

Requested Zone Change: Planned Development

* use attachment, if necessary

I/We the undersigned acknowledge that the information provided above is true and correct.

[Signature] 9/7/2016
Signature Date

NOTE: Please also read information and sign on back of page.

OFFICE USE ONLY			
Case no.: <u>PD 16 -05</u>	L	R	M
Received by: <u>Jeff Fisher</u>	Date of application: <u>9/12/16</u>		
Nonrefundable application fee: \$ <u>600.00</u>	☒ - walk-in ☐ - by mail		
Sign deposit: \$ <u>37.50</u> receipt <u>269297</u>	Date paid: <u>9/12/16</u>		
Affidavit attached? - yes ☒ ☐ N/A	Applicant's signature on information sheet? - <u>[Signature]</u>		
Previous Zone Change Inquiry? - yes ☐ ☒ no	If yes, ZCI case no.: <u> </u>		
River Corridor Commission? - yes ☐ ☒ no	If yes, RCC meeting date: <u> </u>		
Planning Commission hearing date: <u>10/17/2016</u>	Date notifications due: <u> </u>		
City Council hearing date: <u>11/15/16</u>	Packets due date: <u> </u>	Publication date: <u> </u>	

11/29/16

City of San Angelo, Texas
Department of Planning
Important Information Regarding Zone Change Requests

Please read the following and sign below.

1. An application for a zone change on a property may only be made by the owner of that property, an authorized representative of the property owner, the Planning Director, the Planning Commission or City Council. An authorized representative shall present a notarized affidavit from the property owner.
2. No application will be processed if a zoning violation exists on the property, unless such processing is authorized by City Council. Use of the subject property for any new activity (not allowed by present zoning) cannot occur before City Council's approval of the requested zone change. Any such unauthorized use of the subject property is subject to prosecution in Municipal Court.
3. If approved, **a zone change is applied to the property, not the property owner.**
4. The Planning Commission makes recommendations to City Council. If the Planning Commission recommends approval of a zone change request, the case must still go before City Council for final action.
5. If a zone change request is granted by City Council, permits for building construction and/or utility connection may be obtained from the City's Permits and Inspections Department.
6. Certain minimum building setbacks from some or all property lines must be maintained, and room for a minimum number of off-street parking spaces must be reserved on a subject property, based on that property's zoning classification and the nature of its proposed use. A privacy fence may also be required between more restrictive and less restrictive zoning districts. These requirements are outlined in San Angelo's Zoning Ordinance. It is to the applicant's benefit to make sure that any proposed development will fit onto the subject property, in compliance with these and other applicable requirements of the City's Code of Ordinances.
7. One or more notice sign(s) will be placed on the subject property by the Planning Department. However, it is the applicant's responsibility to ensure that the notice sign(s) has/have been posted at least ten (10) days prior to the Planning Commission meeting. If notice sign(s) is/are not posted accordingly, City Council may delay a request. The Planning Department will also notify, in writing, owners of property within 200-feet of the subject property of the zone change request.
8. If the Planning Commission recommends denial of a request, the applicant will have ten (10) days to appeal this decision, in writing, to City Council. If an appeal is made within three (3) days from the Planning Commission meeting, no re-notification fee will be required. Otherwise, there will be a nonrefundable \$35 fee to re-notify owners of nearby property of City Council's public hearing date. If the Planning Commission's recommendation of denial is not appealed, it will be the final action on a request.
9. The applicant or an authorized representative should attend public hearing(s) pertaining to his/her request, prepared to present his/her case and to answer any relevant questions from Planning Commission or City Council members.

I/We have read and understand the preceding information.


Signature

9/12/2016
Date

OFFICE USE ONLY

Case no.:

PG 16 - OS

Date of application:

9/12/2016

Received by:

Jeff Fisher

Justification, Letter

9-7-2016

Darnell Construction L.L.C.
4750 South Chadbourne Street
San Angelo, Texas

San Angelo, Texas Planning Department;

The request for a zone change, comes about primarily due to the fact that initially not enough thought was put into the possibility of being restricted to outside storage due to being under General commercial zoning. Also to the criteria for fencing requirements under this type of zoning. The type of business established here requires ample storage as listed in the letter of information, at which time it does not have. Also our desire to have six-foot fencing and a portion to be set just off the property lines is our desire. Primarily for security reasons and to have full use of the property. It is our understanding that to be in compliance in the future we should seek a change to a planned development. Under this criteria it would meet our needs now and for some continued growth within our property line but at the same time maintain the integrity of the neighborhood as a whole. We at Darnell Construction L.L.C. have spent several years trying to comply with the city Planning Department and the City Council in securing a location for our business, not to mention the expense to build this facility. We have had numerous meetings with staff unfortunately a lot of the folks that we began this journey with are no longer at the city. We look forward to working with the city, in resolving these issues.

Sincerely;
David Darnell
Co-Owner (9-7-2016)

Darnell Properties an Affiliate of Darnell Construction L.L.C. Property ownership information

Darnell Construction L.L.C. is a spinoff of an older company that was established in San Angelo, Texas in 1978. Part of the same owners that held stock in the older company now own Darnell Construction L.L.C. The primary function of this company, is an underground utility Installer. This includes but is not limited to gas installation, electrical underground conduit systems, including burying electrical cables. All types And sizes of water lines including distribution systems inside city limits but also rural water systems. We have in the past been engaged in building smaller water and sewer plants. The company has a long standing record for the installation of sewer lines. Many of these have been installed here in San Angelo, Texas. Our industry has certain criteria it has to abide by, certain materials have to be used in the installation of these utilities. Municipalities require certain standards be met, including equipment Being used, materials, and safety requirements. Some of these requirements are laser grading systems, Testing equipment, for sewer lines and also water lines, these are separate types of equipment. Along With the sewer testing equipment, you have to have air compressors, test balls, and plug balls. Man-holes require a separate testing system. Other requirements are for safety, state and federal guidelines Have to be maintained. This requires a minimum number of pieces of equipment. Shoring boxes, some call trench boxes. Man-hole shields, hydraulic vertical shores, slings, safety harness and in certain conditions gas monitoring equipment just to name a few. The city of San Angelo, Texas engineering department and public works also have their own guidelines. Some of these require the stock piling Of certain types of gravel and crushed limestone products. The gravel is used for bedding in their utilities, and the limestone once it has had a water mixture added becomes the final backfill under Paved streets, drives or alley ways. As you can tell this requires a considerable amount of room to store The safety equipment, along with an area to process and store crushed limestone. Just to get a feel For the space needed just checkout the city's facilities at distribution off of Saint Ann Street. The difference is we have more safety equipment then the city. Our office works pretty much like any Office would work, taking messages a point of contact for clients a place where the billing occurs And job estimating. The shops primary function is to maintain the trucks and equipment used in our Daily operation. This means fuel and oil changes, electrical repairs minor repairs to chains, buckets Washing, cleaning windows etc. We do not engage in repairs to the general public. Our goal in building This facility was to have and maintain one of the nicest construction yards in this area, our name Is at the front gate, the appearance of our facility reflects what type of company is located within its boundaries.

Sincerely:

David Darnell

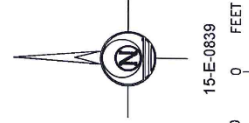
Co-Owner (9-7-2016)



VICINITY MAP
N.T.S.

LEGAL DESCRIPTION

LOT 2, BLOCK 2, SECTION 1, KRISLYNN SUBDIVISION, SAN ANGELO,
TOM GREEN COUNTY, TEXAS



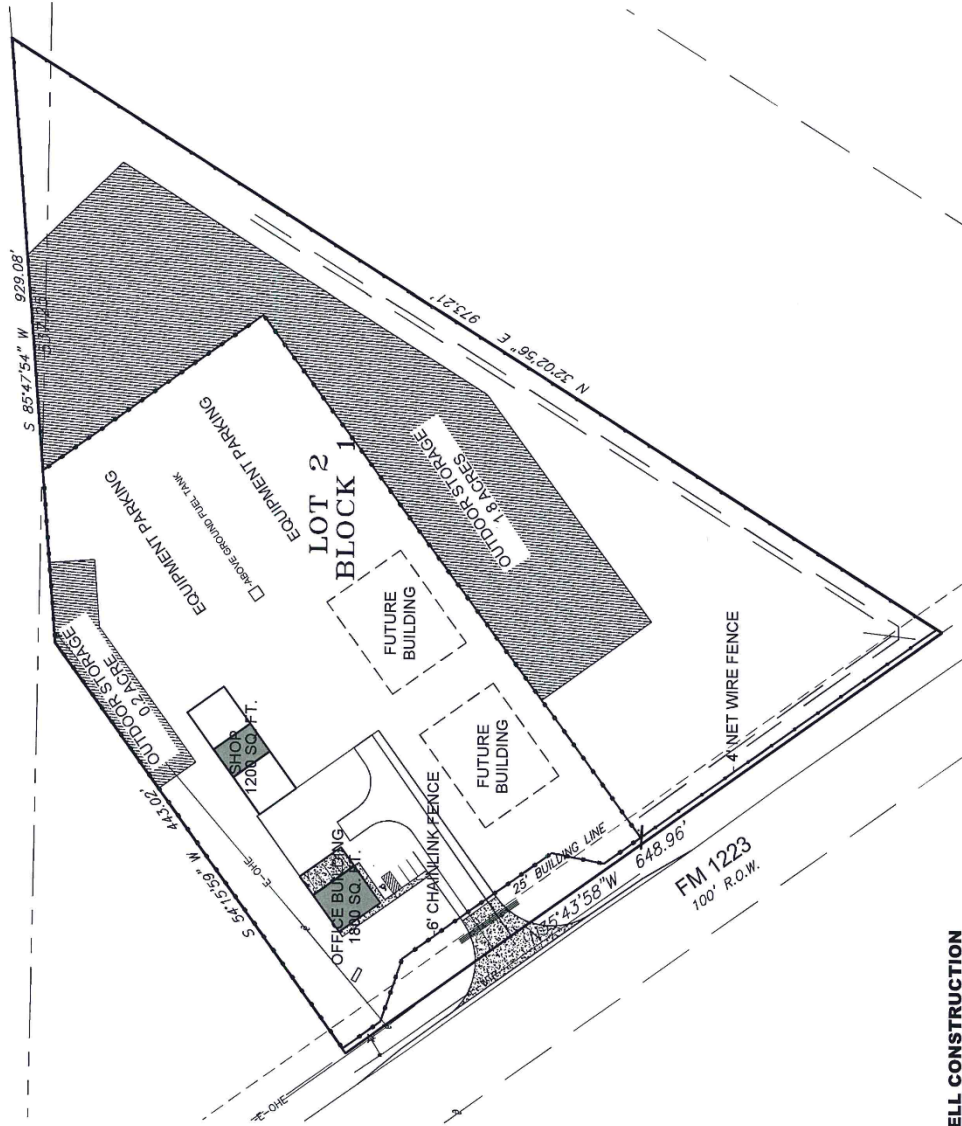
15-E-0839

0 50 100 200 400

GRAPHIC SCALE

0 50 100 200 400

FEET



DARNELL CONSTRUCTION
4750 FM 1223
SAN ANGELO, TEXAS







AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY CHANGING THE ZONING AND CLASSIFICATION OF THE FOLLOWING PROPERTY: **4750 South Chadbourne Street (Texas Farm-to-Market Road 1223), generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765, and identified as Lot 2, Block 1, Section 1, Krislynn Subdivision, comprising a total of 8.140 acres,** FROM THE GENERAL COMMERCIAL (CG) ZONING DISTRICT TO THE PLANNED DEVELOPMENT (PD) ZONING DISTRICT FOR A CONSTRUCTION YARD WITH AN OFFICE, SHOP AND OUTDOOR STORAGE; PROVIDING FOR SEVERABILITY; AND PROVIDING A PENALTY

WHEREAS, the Planning Commission and the City Council for the City of San Angelo, in compliance with the City Charter and state law regarding zoning regulations and zoning map, having given requisite notice of public hearing by publication and otherwise, and having afforded a full and fair hearing to all property owners and persons interested, including persons situated in the vicinity of the affected area, being of the opinion that zoning changes should be made as set out herein;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SAN ANGELO:

SECTION 1: Chapter 12 of the Code of Ordinances of the City of San Angelo, the basic Zoning Ordinance for the City adopted on January 4, 2000, and the Zoning Map be and the same are hereby amended as follows:

4750 South Chadbourne Street (Texas Farm-to-Market Road 1223), generally located along the northeast side of South Chadbourne Street, approximately 588 feet northwest of Texas Farm-to-Market Road 765, and identified as Lot 2, Block 1, Section 1, Krislynn Subdivision, comprising a total of 8.140 acres, zoned General Commercial (CG) Zoning District, shall henceforth be permanently zoned as Planned Development (PD) Zoning District for a Construction Yard with an Office, Shop and Outdoor Storage.

SECTION 2: The Director of the Planning and Development Services Department is hereby authorized and directed to correct the Zoning District Maps in the Office of the Director of the Planning and Development Services Department, to reflect the herein described changes in zoning.

SECTION 3: The City Council hereby adopts the Site Plan, attached hereto as Exhibit “A,” and made a part hereof, demonstrating the general intent to develop a Construction Yard with a Shop and Outdoor Storage, indicating the limits of the proposed development, and outlining the general location and extent of allowed uses to support the proposed development.

SECTION 4: Upon the effective date of this Ordinance, all previously approved Special Uses associated with the subject property shall henceforth be declared null and void and shall be rendered ineffective.

SECTION 5: In all other respects, the following uses of the described property shall be allowed:

- a. Construction Yard
- b. Outdoor construction materials storage
- c. Outdoor construction equipment and vehicles
- d. Warehouse buildings for company use only (no manufacturing or fabrication permitted)
- e. Indoor maintenance shop
- f. Contractor’s Office

SECTION 6: In all other respects, the use of the hereinabove described property shall be subject to all applicable regulations contained in Chapter 12 of the Code of Ordinances for the City of San

Angelo, as amended, particularly the non-residential district standards specific to the General Commercial (CG) Zoning District, and the following modifications:

1. The existing six-foot-high screen fence may be allowed along the front property line of the subject property. The property owner shall have no more than one year from the effective date of the Planned Development to extend this same fencing to the southeast corner of the 8.14-acre site.
2. Outdoor storage for construction-related materials shall not exceed 2.00 acres (87,120 square feet) in land coverage and shall not extend beyond the confines established within Areas One and Two, as shown in Exhibit B.
3. All construction-related materials that are stored outdoors shall not exceed a height profile of 20 feet above grade and shall be screened from any view along a public street right-of-way.
4. All business-related gravel, soils, and aggregate to be stored on the premises shall not exceed a height profile of ten feet above grade and shall be screened from any view along a public street right-of-way.
5. All business-related gravel, soils, and aggregate to be stored on the premises shall be satisfactorily covered, or sufficient mitigation measures shall be employed to adequately safeguard against air contamination of dust and particulate matter.
6. Outdoor storage for company vehicles and equipment shall not extend beyond the confines established within Area One, as shown in Exhibit A.
7. All outdoor storage areas shall be maintained in a clean and orderly manner. No junk vehicles, scrap metals, metal filings, recyclable materials, vehicle or machinery parts, tires,

spent containers or barrels or canisters, household trash, construction or household debris, or other solid/liquid waste shall be stored outdoors on the premises.

8. No hazardous materials shall be stored on the premises. Containers used for the storing of spent lubricants shall be covered and maintained on the premises in a place and manner that will adequately mitigate soil contamination, discourage stockpiling and facilitate a timely disposal schedule.
9. All equipment repair and maintenance shall be fully conducted indoors.
10. No metal fabrication of any kind shall be conducted on the premises.
11. All exterior lighting shall be shielded and positioned in such a manner so as to not spill over onto any adjacent property. Light poles shall not exceed 35 feet in height.
12. The Property Owner shall remove any uses on the property that are not specifically permitted under this Planned Development by January 1, 2017.

SECTION 7: The terms and provisions of this Ordinance shall be deemed to be severable in that, if any portion of this Ordinance shall be declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

SECTION 8: Any person who violates any provisions of this article shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine as provided for in Section 1.106 of the Code of Ordinances for the City of San Angelo. Each day of such violation shall constitute a separate offense.

SECTION 9: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **15th day of November, 2016**, and finally PASSED, APPROVED AND ADOPTED on this, the **6th day of December, 2016**.

THE CITY OF SAN ANGELO

Dwain Morrison, Mayor

ATTEST:

APPROVED AS TO FORM:

Bryan Kendrick, City Clerk

Theresa James, City Attorney

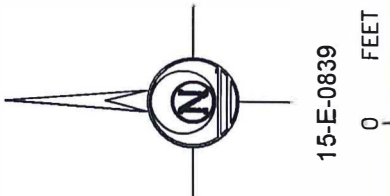
EXHIBIT "A"



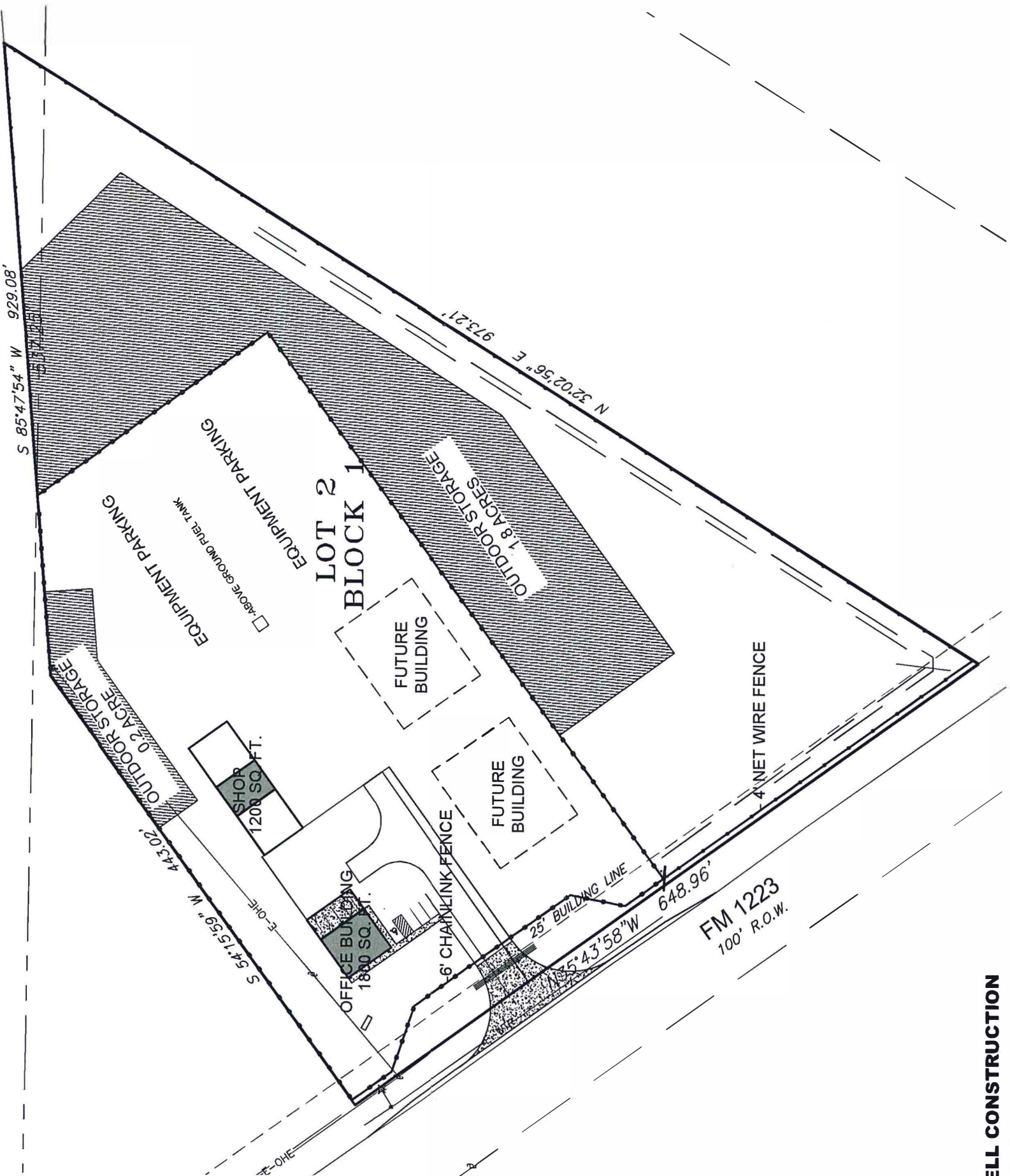
VICINITY MAP
N.T.S.

LEGAL DESCRIPTION

LOT 2, BLOCK 2, SECTION 1, KRISLYNN SUBDIVISION, SAN ANGELO,
TOM GREEN COUNTY, TEXAS



15-E-0839



DARNELL CONSTRUCTION
4750 FM 1223
SAN ANGELO, TEXAS

EXHIBIT A-1

AREA FOR
OUTDOOR MATERIALS
STORAGE
(in PURPLE)

OVERALL
SUBJECT AREA
(in ORANGE)

+/-145 FT
Fence extension (in GRAY)

Chadbourne

Planned Development Case File

Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 150 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property: 
Existing Coverage: 
Current Zoning: **CG**
Requested Zoning Change: **PD**
Vision: **Commercial**

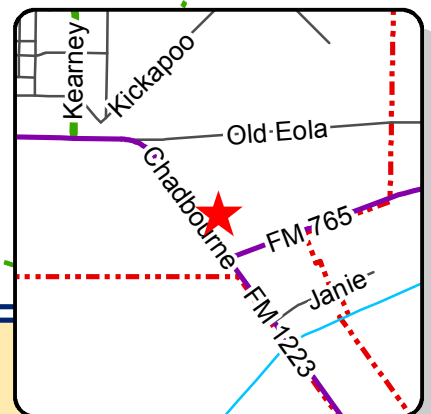


EXHIBIT A-2

AREA FOR
VEHICLE/EQUIPMENT
STORAGE
(in LT PURPLE)

OVERALL
SUBJECT AREA
(in ORANGE)

+/-230 FT

Fence Extension (in GRAY)

Chadbourne

Planned Development Case File

Darnell Construction

Council District: SMD#1 (Richardson)

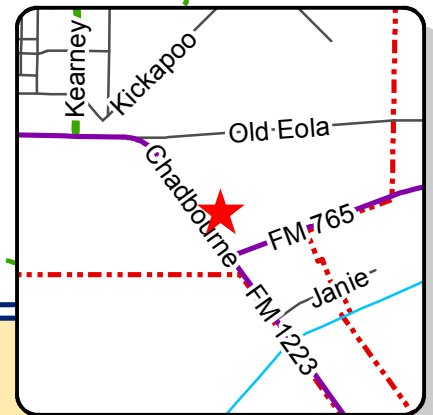
Neighborhood: Glenmore

Scale: 1 in :: 150 ft

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property: 
Existing Coverage: 
Current Zoning: **CG**
Requested Zoning Change: **PD**
Vision: **Commercial**

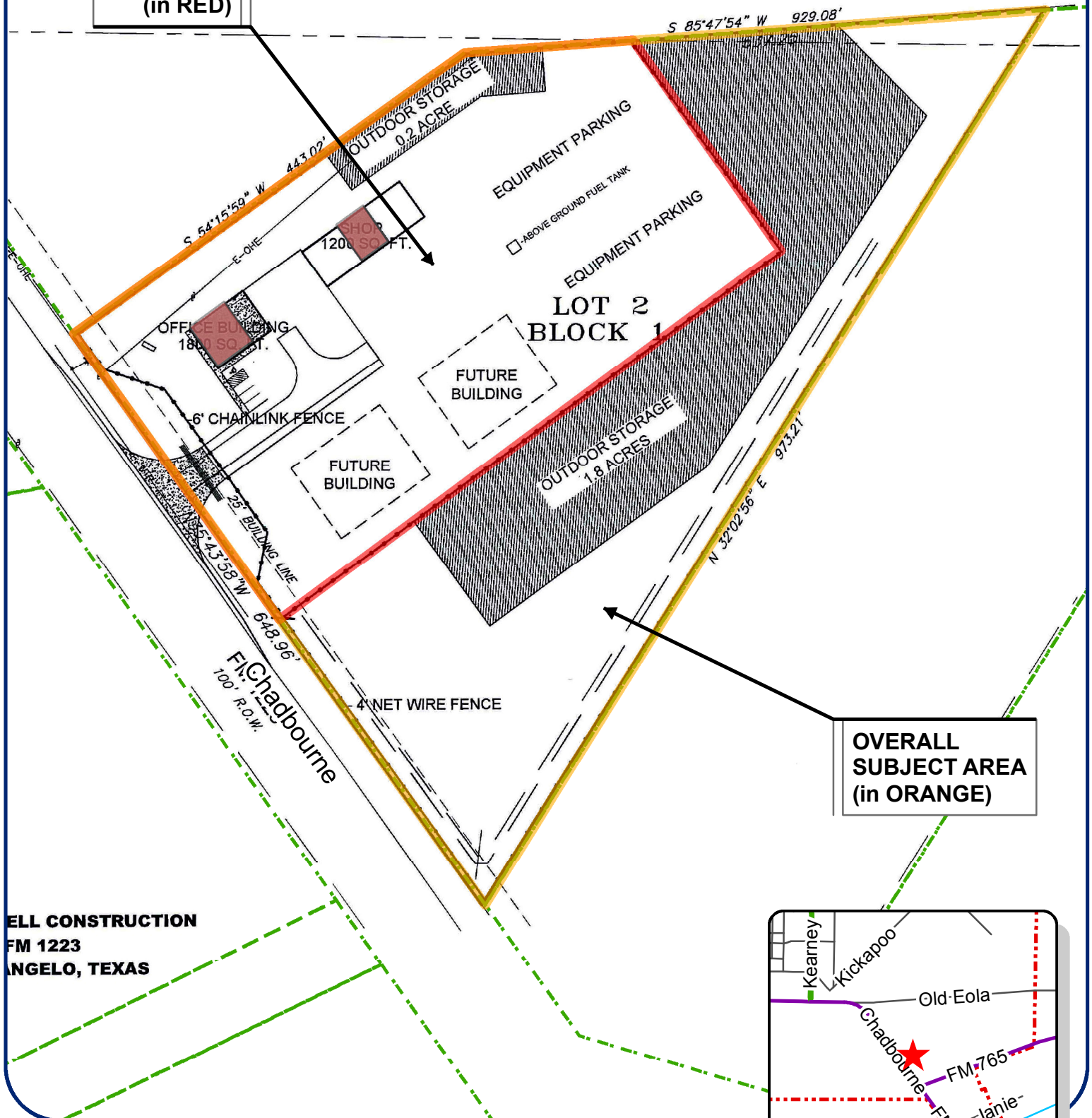


N



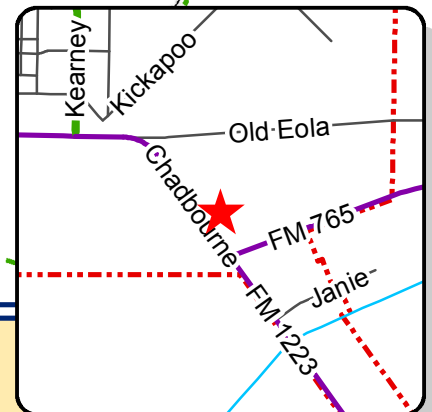
EXHIBIT A-3

**CURRENT
COVERAGE
AREA
(in RED)**



**OVERALL
SUBJECT AREA
(in ORANGE)**

**ELL CONSTRUCTION
FM 1223
ANGELO, TEXAS**



Planned Development Case File

PD16-05, Darnell Construction

Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 150 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Overall Property: —

Existing Coverage: —

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**

N



EXHIBIT "B"

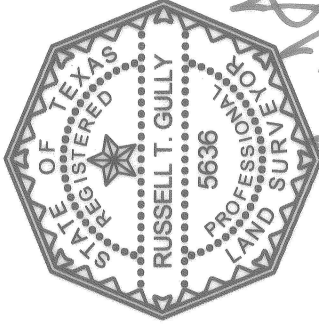
201502560 PLAT Total Pages: 1



SCALE: 1" = 200'

GRAPHIC SCALE: FEET

NOTE: Bearings shown hereon are based on the Texas Coordinate System - Central Zone. Distances shown are surface horizontal.



SURVEYOR'S CERTIFICATE

Know all men by these presents: that I, Russell T. Gully RPLS, do hereby certify that I prepared this plat from an actual and accurate survey of the land and that corner monuments shown hereon were properly placed, under my supervision, in accordance with the rules for land subdivision by the City Council of the City of San Angelo; and I further certify that the tract of land herein platted lies within the city limits of the City of San Angelo, Texas.

14-S-1585

REMAINDER OF 52.541 AC.
INSTR. NO. 713462
O.P.R.T.G.C.T.

5.401 AC.
INSTR. NO. 654498
O.P.R.T.G.C.T.

N 85°47'53" E 1,429.70'

LOT 3
10.010 ACRES

TRACT 1
MESQUITE ACRES
ADDITION
VOL. 33, PG. 423
P.R.T.G.C.T.

BLOCK 1

LOT 2
8.140 ACRES

LOT 1
8.120 ACRES

5.983 AC.
VOL. 1079, PG. 655
O.P.R.T.G.C.T.

F.M. 765
(100' R.O.W.)

SOUTH CHADBOURNE STREET (F.M. 1223)
(100' R.O.W.)

LEVIC P. MOORE SURVEY NO. 169 1/2
ABSTRACT NO. 1637

ACKNOWLEDGEMENT/DEDICATION

We, Daniel Cardenas and Gary Shrum, do hereby adopt this plat as the subdivision of our property.

[Signature: Daniel Cardenas]
Daniel Cardenas

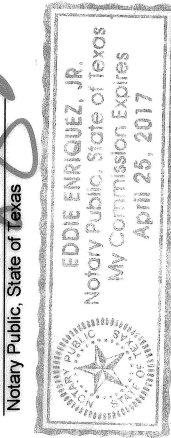
[Signature: Gary Shrum]
Gary Shrum

STATE OF TEXAS

COUNTY OF TOM GREEN

This instrument was acknowledged before me on 2-23-15

by Daniel Cardenas and Gary Shrum



LEGEND:

- Found Iron Rod with Cap (unless otherwise noted)
- o Set 1/2" Iron Rod with Cap

PLANNING COMMISSION

Approved for recording this 30 day of March, 2015, City Planning Commission of San Angelo, Texas.

By: *[Signature: Russell T. Gully]*

Chairman

Secretary

DEPARTMENT OF WATER UTILITIES

Approved for recording this 3 day of March, 2015

By: *[Signature: Russell T. Gully]*

Director of Water Utilities

DEPARTMENT OF PUBLIC WORKS

Approved for recording this 4 day of March, 2015

By: *[Signature: Russell T. Gully]*

Director of Public Works

COUNTY CLERK 4 day of March, 2015, @ 2:21 AM

County Clerk of Tom Green Co., TX

By: *[Signature: Russell T. Gully]*

[Signature: Russell T. Gully] Deputy

This Plat is Filed in Cabinet 15 Slide 263
Plat Records of Tom Green County, Texas.

Field Notes are filed as Instrument No. 201502560
Official Public Records of Real Property, Tom Green County, Texas.

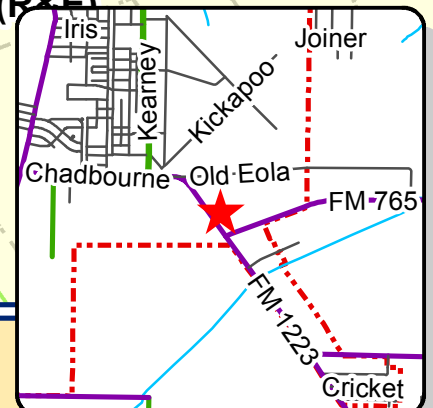
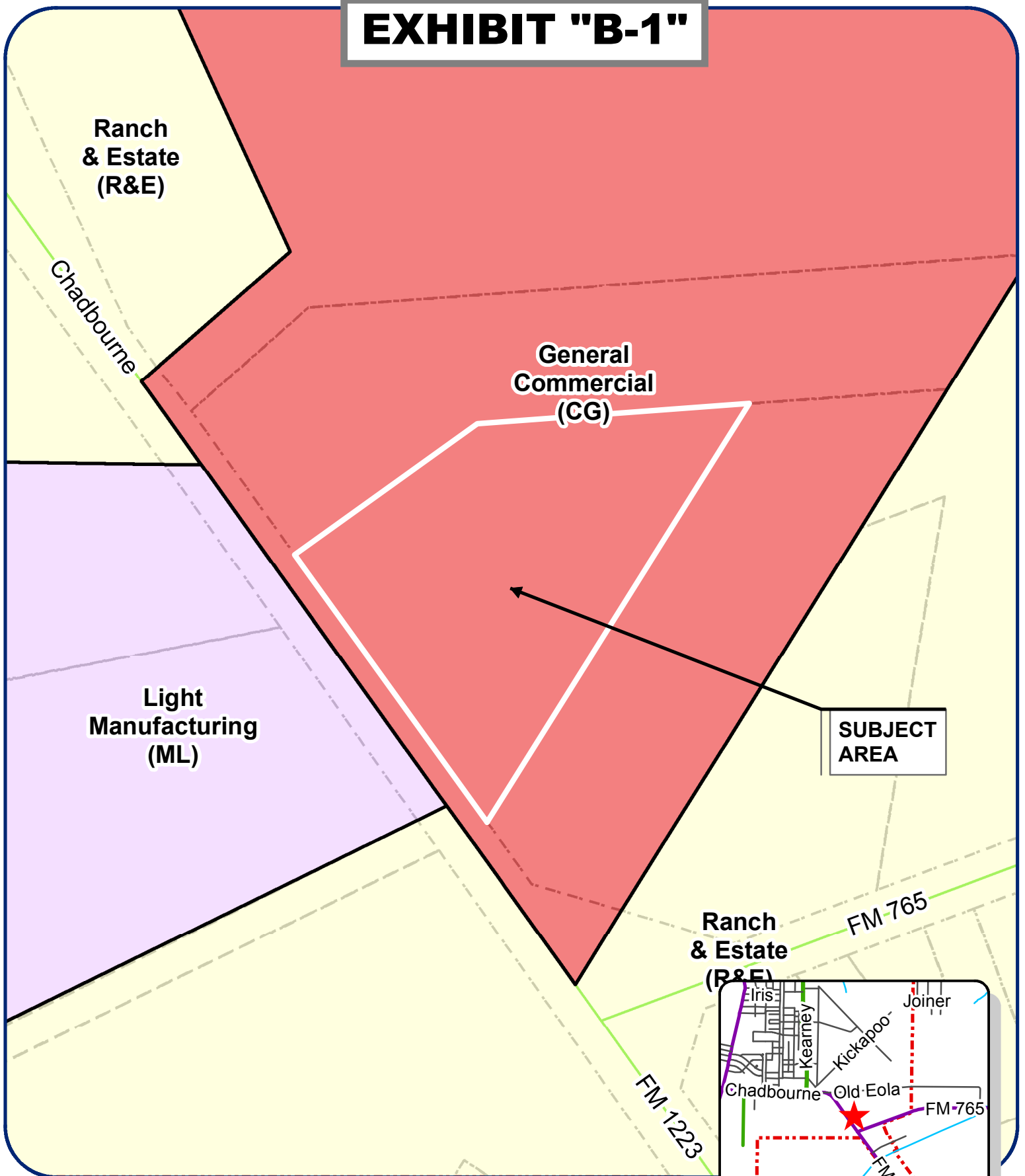


ENGINEERING, LLC

SURVEYING • ENVIRONMENTAL • LAB/CMT

706 SOUTH ABE STREET
SAN ANGELO, TEXAS 76903
PHONE: 325.655.1288
FAX: 325.657.8189
Firm No. 10102400
www.skge.com

EXHIBIT "B-1"



Planned Development Case File

Darnell Construction

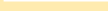
Council District: SMD#1 (Richardson)

Neighborhood: Glenmore

Scale: 1 inch :: 300 feet

Legal Descr: Lot 2, S-1, Blk-1, Krislynn Sub'd

Legend

Subject Properties: 

Current Zoning: **CG**

Requested Zoning Change: **PD**

Vision: **Commercial**



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Second Reading of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Accessory Structures. (J. James)

Summary/History:

Based on a number of variance requests over the past couple of years, staff researched options for changing the requirements for accessory structures in the Ranch & Estate zoning district. The current restriction on the total size of accessory structures limits them to no more than the square footage of the principal house on the property. This creates a disadvantage for smaller houses and large lot properties that may want to have a larger shop or barn building. The proposed changes provide additional flexibility for larger accessory buildings. It also simplifies the setback requirements for such buildings. Finally, the proposed amendment would not allow an accessory building to be placed in a front yard, but only to the rear of the principal structure.

Financial Impact:

N/A

Other Information/Recommendation:

A Motion to recommend approval of the proposed Zoning Ordinance Text Amendment for Accessory Structures was made by Commissioner Crisp and seconded by Commissioner Stribling. The motion carried unanimously, 5-0.

At the November 15, 2016, City Council meeting, the proposed text for the maximum size of accessory buildings in the R&E Zoning District was changed from "up to 100% of the principal residential building or 5% of the site area, whichever is greater" to "up to 100% of the principal residential building or 10% of the site area, whichever is greater."

Attachments:

- | | | |
|----|-----------------|--|
| 1. | Staff Report | PL_Memo_R&E ACC STR_City Council (2016-12-6).docx |
| 2. | Draft Ordinance | PL_Ordinance_R&E ACC STR_City Council (2016-12-6).docx |

Presentation:

Jon James

Approvals/Reviews:

Rebeca Guerra	Created/Initiated
Jon James	Approved
Theresa James	Approved
Anthony Wilson	Approved
Jon James	Approved

Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Final Approval

MEMO

**Meeting**

Date: December 6, 2016

To: City Council

From: Jon C. James, AICP
Director

Request: Text Amendment to Chapter 12, Exhibit "A" Zoning Ordinance, Article 4, Section 402 (Accessory Structures)

Background:

The attached is an amendment to Chapter 12, Exhibit "A" Zoning Ordinance, Article 4, Section 402 to expand the manner in which accessory buildings may be located on properties located within the Ranch & Estate (R&E) Zoning District. Currently, the size of accessory structures in the R&E District is capped at 100% of the principal residential building. Moreover, Intermodal Containers (i.e. shipping crates) are not permitted. The placement of accessory structures varies depending on whether it is a carport, shed, or garage. This amendment seeks to simplify the standards associated with these structures, while preserving the rural nature of development on these properties.

Based on its research, Staff has drafted a text amendment that seeks to:

- Establish uniform setbacks for accessory structures;
- Increase the potential size of such accessory structures; and
- Limit the location of where accessory structures may be placed on a site.

Attachment: Proposed Ordinance Amendment
Table Showing Current Setbacks

ARTICLE 4 - SPECIFIC USE STANDARDS

Section 402. Accessory Uses and Structures

3. Prohibited Structures. ~~Intermodal Containers shipping crates,~~ railroad cars, motor vehicles, truck or bus bodies, and other similar containers shall not be used as accessory buildings in any residential district, unless otherwise specified in the Zoning Ordinance.

B. Accessory Buildings and Structures in the Ranch and Estate (R&E) Zoning District

1. Setbacks.
 - a. Side yards: 5 feet
 - b. Rear yard: 10 feet
2. Size. Accessory buildings and structures shall be permitted up to 100% of the principal residential building or 10% of the site area, whichever is greater.
3. Location: Accessory buildings and structures shall be located to the rear of the principal residential building.

Table Showing Current Setbacks

Zoning Ordinance Section	Accessory Structure Type	District	Front	Side	Rear
402.A	All permitted accessory structures, except where further outlined below for specific structures (shipping crates, railroad cars, truck or bus bodies and other similar containers currently not allowed)	Ranch and Estate (R&E)	40 feet (same as principal building)	If greater than 10 feet from principal building, or attached with only a breezeway: • 2 feet from wall or edge of roof to lot line, or, • 0 feet from wall or edge of roof to street or alley right-of-way If 10 feet or less from principal building: • 15 feet (same as principal building)	If greater than 10 feet from principal building, or attached with only a breezeway: • 2 feet from wall or edge of roof to lot line, or, • 0 feet from wall or edge of roof to street or alley right-of-way If 10 feet or less from principal building: • 20 feet (same as principal building)

AN ORDINANCE OF THE CITY OF SAN ANGELO, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SAN ANGELO, CHAPTER 12, EXHIBIT "A" "ZONING ORDINANCE," ARTICLE 4 "SPECIFIC USE STANDARDS," SECTION 402 "ACCESSORY USES AND STRUCTURES," BY: INCREASING THE MAXIMUM ACCESSORY BUILDING FLOOR AREA PERMITTED IN RANCH AND ESTATE ZONING DISTRICT (R&E); PROVIDING FOR SETBACKS; PROVIDING FOR LOCATION OF ACCESSORY STRUCTURES; PROHIBITING INTERMODAL CONTAINERS; PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF SAN ANGELO, TEXAS:

Section 1. That Chapter 12, Exhibit "A" "Zoning Ordinance", Article 4 "Specific Use Standards," Section 402 "Accessory Uses and Structures" is hereby amended by restating in their entirety subparts 2. "Size" and 3. "Prohibited Structures" of subpart "A." "Accessory Buildings or Structures," to read as follows:

A. Accessory Buildings or Structures

2. Size. A maximum accessory building floor area of 600 square feet or 50 percent of the floor area of the principal building, whichever is greater, shall be permitted on any residential lot.
3. Prohibited Structures. Intermodal Container, railroad cars, motor vehicles, truck or bus bodies, and other similar containers shall not be used as accessory buildings in any residential district, unless otherwise specified in the Zoning Ordinance.

Section 2. That Chapter 12, Exhibit "A" "Zoning Ordinance", Article 4 "Specific Use Standards", Section 402 "Accessory Uses and Structures" is hereby amended by re-designating subparts B through D as subparts C through E, and adding a new subpart B to read as follows:

B. Accessory Buildings and Structures in the Ranch and Estate (R&E) Zoning District

1. Setbacks.
 - a. Side yards: 5 feet
 - b. Rear yard: 10 feet
2. Size. Accessory buildings and structures shall be permitted up to 100% of the principal residential building or 10% of the site area, whichever is greater.

3. Location. Accessory buildings and structures shall be located to the rear of the principal residential building.

Section 3. This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of San Angelo, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event conflicting provisions of such ordinances and such Code are hereby repealed.

Section 4. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, or for any reason unenforceable, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, or regulation of this Ordinance.

Section 5. That this Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the ____ day of _____, 2016, and finally

PASSED, APPROVED AND ADOPTED on this the ____ day of _____,
2016.

THE CITY OF SAN ANGELO

ATTEST

by: _____
Dwain Morrison, Mayor

by: _____
Bryan Kendrick, City Clerk

APPROVED AS TO FORM

by: _____
Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Second Reading of an Ordinance for a text amendment to Chapter 12, Exhibit "A" Zoning Ordinance, for Intermodal Containers. (J. James)

Summary/History:

At the November 15, 2016, City Council meeting, the following items were eliminated from the proposed text: (1) limitation on maximum number of permanent Containers on sites zoned CN, CG, and CG/CH, (2) limitation on maximum number of temporary Containers on all nonresidential sites, and (3) requirement for buffering on all nonresidential sites. In addition, Council required sites zoned Ranch & Estate to come into compliance with the Ordinance within 90 days of its effective date and also allowed Containers in sites zoned CN, CG, and CG/CH to be placed to the rear or side, but not street side, of the principal building on the site.

Financial Impact:

N/A

Other Information/Recommendation:

On October 17, 2016, the Planning Commission voted to recommend APPROVAL of the proposed Text Amendment for Intermodal Containers by a vote of 6-0. The Commission recommended additions to the Text Amendment including opportunities for Conditional Use and Variance approval for sites that have existing permits for the permanent placement of a Container. It also recommended that all sites come into compliance with this new Section within 365 days of the effective date of the associated Ordinance.

Attachments:

1. Staff Report PL_Memo_Temp & Perm Int Cont_City Council (2016-12-6).docx
2. Draft Ordinance PL_Ordinance_Temp & Perm Int Cont_City Council (2016-12-6).docx

Presentation:

Jon James

Approvals/Reviews:

Rebeca Guerra	Created/Initiated
Jon James	Approved
Theresa James	Approved
Anthony Wilson	Approved
Jon James	Approved
Tina Dierschke	Approved
Theresa James	Approved

Becky Dunn
Bryan Kendrick

Approved
Final Approval

MEMO

**Meeting**

Date: December 6, 2016

To: City Council

From: Jon C. James, AICP
Director

Request: Text Amendment to Chapter 12, Exhibit "A" Zoning Ordinance, Article 4, Section 416 (Intermodal Containers), Article 4, Section 425 (Temporary Uses) and Article 8, Section 804 (Defined Terms)

Background:

The attached is an amendment to Chapter 12, Exhibit "A" Zoning Ordinance, Article 4, Section 416, to allow for the permanent use of Intermodal Containers (i.e. shipping crates), an amendment to Chapter 12, Exhibit "A" Zoning Ordinance, Article 4, Section 423, which would consolidate all standards for Intermodal Containers in a new section, and an amendment to Article 8, Section 804 to create definitions for "Intermodal Container" and "Site."

The Zoning Ordinance currently allows Intermodal Containers to be placed on any nonresidentially-zoned property without a limit on the total number permitted or the need for buffering from the view of a right-of-way. Moreover, stacking of such Containers is not regulated, nor is the submission of a site plan required to determine the appropriateness of its intended location on a site. This amendment seeks to create standards for how these containers may be placed on a site, both on a temporary and permanent basis.

Based on its research, and input from the Planning Commission at its October 17, 2016, meeting, Staff has drafted a text amendment that seeks to:

- Designates Zoning Districts and other areas in the City where Intermodal Containers may be permitted and where they are prohibited altogether;
- Creates standards for the use and placement of these Containers in all Zoning Districts where they may be permitted;
- Provides additional standards for the CN, CG, and CG/CH Zoning Districts;
- Allows Containers to be placed on properties within the R&E Zoning District, subject to additional standards;
- Provides for administrative approvals of time extensions for temporary Containers;
- Designates specific locations on a site where they may or may not be placed; and
- Requires nonresidential sites with existing Intermodal Containers to come into compliance within one year and sites within the R&E Zoning District to come into compliance within 90 days. Provides for variances and Conditional Use reviews, with fee waivers, for sites with permits.

Attachment: Proposed Zoning Ordinance Amendments

(New Section 416; renumbering existing Sections 416 through 427 sequentially to become Sections 417 through 428; amending and renumbering existing Section 425; and amending Section 804)

ARTICLE 4 - SPECIFIC USE STANDARDS

Section 416. Intermodal Containers

A. Permanent Intermodal Containers

1. Prohibited Zoning Districts and Overlay Zones

Permanent Intermodal Containers are prohibited in the RS-1, RS-2, RS-3, RM-1, RM-2, MHP, MHS, CO, and CBD Zoning Districts. They are also prohibited in the River Corridor, Historic Overlay Zones, on any property with an Historical Landmark designation, and on any otherwise vacant site.

2. Standards for all permitted Zoning Districts

- a. Prior to placement or installation of a Container on a site, a building permit, including a site plan, shall be submitted to the Building Official for approval.
- b. The stacking of Containers shall be prohibited.
- c. Each Container shall meet all required standards for principal buildings for the zoning district.
- d. No Container shall exceed 450 square feet.
- e. Trailers, semi-trailers, boxcars, or similar shall be prohibited. Open top, open side, and tank Containers shall also be prohibited.

3. Additional standards applicable for CN, CG, and CG/CH Zoning Districts

- a. No signage including business signs, logos, or other markings shall be permitted on or attached to a Container, except for small, incidental labelling.

- b. Each Container shall be painted an earth tone, neutral color, or match the principal building(s) on the site.
- c. Container(s) shall be located to the rear or side, but not street side, of the principal building on the site.

4. Additional Standards for the Ranch and Estate (R&E) Zoning District

- a. No more than one Container shall be allowed on a site of at least five acres in size. Containers are prohibited on sites less than five acres in size.
- b. No signage including business signs, logos, or other markings shall be permitted on or attached to a Container, except for small, incidental labelling.
- c. The container shall be painted an earth tone, neutral color, or match the principal residential building on the site.
- d. The Container shall be located to the rear of the principal residential building on the site.

5. Existing Intermodal Containers

- a. All sites, except those located within the Ranch & Estate Zoning District, that have existing Intermodal Containers shall be brought into compliance with this Section within one year of the effective date of this Ordinance.
- b. All sites located within the Ranch & Estate Zoning District that have existing Intermodal Containers shall be brought into compliance with this Section within 90 calendar days of the effective date of this Ordinance.
- c. On a site where a permit has already been issued for the permanent placement of an Intermodal Container, prior to the adoption of this ordinance, the Planning Commission may authorize continuation of the structure beyond one year through a Conditional Use approval. Such approval may allow the structure to continue as is and without requiring a new building permit, or the Commission may place conditions on the approval to require the structure to come into

compliance with some or all of the requirements for a new Container. No application fee shall be required for such a Conditional Use application.

B. Temporary Intermodal Containers

1. Construction-Related Storage

- a. The temporary placement of intermodal Containers, as well as trailers and semi-trailers, shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related permitted construction is occurring. Such placement shall not require a building permit or other approval by the City, provided that the following standards are met:
 - i. Use of such trailer or Container shall be limited to storage of material and equipment used in conjunction with adjacent permitted construction.
 - ii. Any such trailer or Container shall be removed within 60 days following completion of the project.

2. Short Term Storage

- a. One Container shall be permitted on any site with residential zoning or a residential use for a period of 30 consecutive days, up to two times per calendar year.
 - b. Container(s) shall be permitted in all other zoning districts for a period of 30 days, up to four times per calendar year.
 - c. Requests for time extensions shall be submitted in writing to the Planning Director prior to the expiration date of the permit. The Planning Director may grant extensions not exceeding in sum total 15 days.
3. Containers shall not be located on a vacant site or within any public right-of-way. Containers shall not be located so as to block or interfere with the use of any fire lanes, drive aisles, maneuvering areas, or required parking spaces.

4. A Container shall not exceed 160 square feet in area on any site with residential zoning or a residential use, except as permitted for construction-related storage and shall not exceed 450 square feet in all other zoning districts or for construction storage.

Section 425. Temporary Uses

A. Construction-Related Offices

1. ~~Parking~~ The temporary placement of a trailer housing construction-related offices shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related construction is occurring.
2. Parking of a trailer housing construction-related offices shall not require a building permit or other approval from the City, provided that the following standards are met.
 - a. Extension of temporary electric or plumbing service is made in accordance with all applicable codes, including required permits therefor.
 - b. Use of any such trailer shall be limited to administrative offices for ongoing construction activity on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract where construction activity is ongoing. The trailer shall not be used for dwelling purposes, even on a temporary basis.
 - c. Any such trailer shall be removed within 60 days following completion of the project to which the offices are considered accessory.

B. Construction-Related Storage

- ~~1. Parking of trailers, semi-trailers and shipping containers shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related construction is occurring. Such parking shall not require a building permit or other approval by the City, provided that the following standards are met.~~

~~a. Use of such trailer or container shall be limited to storage of material and equipment used in conjunction with adjacent construction.~~

~~b. Any such trailer or container shall be removed within 60 days following completion of the project.~~

2. Yards for storage and marshaling of construction material and equipment shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related construction activity is occurring. All such material or equipment shall be for use in conjunction with the associated construction project. All such material and equipment shall be removed within 60 days following completion of the project.

C. Real Estate Sales Offices in Residential Districts

1. A real estate sales office may be operated from a model home or other building located within a recorded subdivision, provided that the use is limited to sale of lots or new homes within that same subdivision. The temporary use approval shall expire at such time as 95 percent of the lots within the subdivision have been sold.
2. No mobile home, HUD-Code manufactured home or other portable building not constructed in conformance with the City's building code requirements shall be allowed as a temporary office for the sale of real estate, except in MHS Districts.

- D. Special Events and Seasonal Uses. All special events and seasonal uses shall comply with the permitting procedures in Sec. 205.

ARTICLE 8 - DEFINITIONS

Section 804. Defined Terms

INTERMODAL CONTAINER / CONTAINERS: The terms "Intermodal Container" or "Container" shall mean a standardized container used as an accessory structure on a site for the limited purpose of the storage of goods, materials and products, also known as a sea container or shipping crate.

SITE: The term "Site" shall mean a developed tract or parcel(s) of land, which may or may not coincide with a lot shown on any recorded plat, that is suitable for building purposes and legally transferrable as a single unit of land.

AN ORDINANCE OF THE CITY OF SAN ANGELO, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SAN ANGELO, CHAPTER 12, EXHIBIT “A” “ZONING ORDINANCE,” ARTICLE 4 “SPECIFIC USE STANDARDS,” REDESIGNATING SECTIONS 416 THROUGH 427 AS SECTIONS 417 THROUGH 428; ADDING A NEW SECTION 416 ENTITLED “INTERMODAL CONTAINERS” THAT PROVIDES USE STANDARDS FOR INTERMODAL CONTAINERS; AMENDING SECTION 425 “TEMPORARY USES,” BY RESTATING SUBPART “A.” “CONSTRUCTION-RELATED OFFICES” AND SUBPART “B.” “CONSTRUCTION-RELATED STORAGE” PROVIDING FOR PLACEMENT OF TRAILERS; AMENDING ARTICLE 8 “DEFINITIONS,” SECTION 804 “DEFINED TERMS,” BY ADDING DEFINITIONS FOR “INTERMODAL CONTAINER / CONTAINERS” AND “SITE;” PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF SAN ANGELO, TEXAS:

Section 1. That Chapter 12, Exhibit “A” “Zoning Ordinance,” Article 4 “Specific Use Standards,” is hereby amended by re-designating Sections 416 through 427 as Sections 417 through 428, and adding a new Section 416 to read as follows:

“Section 416. Intermodal Containers

A. Permanent Intermodal Containers

1. Prohibited Zoning Districts and Overlay Zones

Permanent Intermodal Containers are prohibited in the RS-1, RS-2, RS-3, RM-1, RM-2, MHP, MHS, CO, and CBD Zoning Districts. They are also prohibited in the River Corridor, Historic Overlay Zones, on any property with an Historical Landmark designation, and on any otherwise vacant site.

2. Standards for all permitted Zoning Districts

- a. Prior to placement or installation of a Container on a site, a building permit, including a site plan, shall be submitted to the Building Official for approval.
- b. The stacking of Containers shall be prohibited.
- c. Each Container shall meet all required standards for principal buildings for the zoning district.

- d. No Container shall exceed 450 square feet.
 - e. Trailers, semi-trailers, boxcars, or similar shall be prohibited. Open top, open side, and tank Containers shall also be prohibited.
3. Additional standards applicable for CN, CG, and CG/CH Zoning Districts
- a. No signage including business signs, logos, or other markings shall be permitted on or attached to a Container, except for small, incidental labelling.
 - b. Each Container shall be painted an earth tone, neutral color, or match the principal building(s) on the site.
 - c. Containers shall be located to the rear or side, but not street side, of the principal building on the site.
4. Additional Standards for the Ranch and Estate (R&E) Zoning District
- a. No more than one Container shall be allowed on a site of at least five acres in size. Containers are prohibited on sites less than five acres in size.
 - b. No signage including business signs, logos, or other markings shall be permitted on or attached to a Container, except for small, incidental labelling.
 - c. The container shall be painted an earth tone, neutral color, or match the principal residential building on the site.
 - d. The Container shall be located to the rear of the principal residential building on the site.
5. Existing Intermodal Containers
- a. All sites, except those located within the Ranch & Estate Zoning District, that have existing Intermodal Containers shall be brought into compliance with this Section within one year of the effective date of this Ordinance.
 - b. All sites located within the Ranch & Estate Zoning District that have existing Intermodal Containers shall be brought into compliance with this Section within 90 calendar days of the effective date of this Ordinance.
 - c. On a site where a permit has already been issued for the permanent placement of an Intermodal Container, prior to the adoption of this ordinance, the Planning Commission may authorize continuation of the structure beyond one year

through a Conditional Use approval. Such approval may allow the structure to continue as is and without requiring a new building permit, or the Commission may place conditions on the approval to require the structure to come into compliance with some or all of the requirements for a new Container. No application fee shall be required for such a Conditional Use application.

B. Temporary Intermodal Containers

1. Construction-Related Storage

- a. The temporary placement of intermodal Containers, as well as trailers and semi-trailers, shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related permitted construction is occurring. Such placement shall not require a building permit or other approval by the City, provided that the following standards are met:
 - i. Use of such trailer or Container shall be limited to storage of material and equipment used in conjunction with adjacent permitted construction.
 - ii. Any such trailer or Container shall be removed within 60 days following completion of the project.

2. Short Term Storage

- a. One Container shall be permitted on any site with residential zoning or a residential use for a period of 30 consecutive days, up to two times per calendar year.
 - b. Container(s) shall be permitted in all other zoning districts for a period of 30 days, up to four times per calendar year
 - c. Requests for time extensions shall be submitted in writing to the Planning Director prior to the expiration date of the permit. The Planning Director may grant extensions not exceeding in sum total 15 days.
3. Containers shall not be located on a vacant site or within any public right-of-way. Containers shall not be located so as to block or interfere with the use of any fire lanes, drive aisles, maneuvering areas, or required parking spaces.
 4. A Container shall not exceed 160 square feet in area on any site with residential zoning or a residential use, except as permitted for construction-related storage and

shall not exceed 450 square feet in all other zoning districts or for construction storage.”

Section 2. That Chapter 12, Exhibit “A” “Zoning Ordinance,” Article 4 “Specific Use Standards,” Section 425 “Temporary Uses” is hereby amended by restating subpart “A.” “Construction-Related Offices” in its entirety to read as follows:

“Section 425. Temporary Uses

A. Construction-Related Offices

1. The temporary placement of a trailer housing construction-related offices shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related construction is occurring.
2. Parking of a trailer housing construction-related offices shall not require a building permit or other approval from the City, provided that the following standards are met.
 - a. Extension of temporary electric or plumbing service is made in accordance with all applicable codes, including required permits therefore.
 - b. Use of any such trailer shall be limited to administrative offices for ongoing construction activity on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract where construction activity is ongoing. The trailer shall not be used for dwelling purposes, even on a temporary basis.
 - c. Any such trailer shall be removed within 60 days following completion of the project to which the offices are considered accessory.”

Section 3. That Chapter 12, Exhibit “A” “Zoning Ordinance,” Article 4 “Specific Use Standards,” Section 425 “Temporary Uses” is hereby amended by restating subpart “B.” “Construction-Related Storage” in its entirety by deleting paragraph numbered 1., and subparagraphs numbered a. and b. there under, so that subpart “B” as amended reads in its entirety:

“B. Construction-Related Storage

Yards for storage and marshaling of construction material and equipment shall be allowed on the same tract of land, or on a tract lying directly adjacent to or across the street from the tract, where related construction activity is occurring. All such material or equipment shall be for use in

conjunction with the associated construction project. All such material and equipment shall be removed within 60 days following completion of the project.”

Section 4 That Chapter 12, Exhibit “A” “Zoning Ordinance,” Article 8 “Definitions,” Section 804 “Defined Terms” is hereby amended by adding new definitions for “Intermodal Container / Containers” and “Site” to read as follows:

“INTERMODAL CONTAINER / CONTAINERS: The terms “Intermodal Container” or “Container” shall mean a standardized container used as an accessory structure on a site for the limited purpose of the storage of goods, materials and products, also known as a sea container or shipping crate.

SITE: The term “Site” shall mean a developed tract or parcel(s) of land, which may or may not coincide with a lot shown on any recorded plat, that is suitable for building purposes and legally transferrable as a single unit of land.”

Section 5. This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of San Angelo, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event conflicting provisions of such ordinances and such Code are hereby repealed.

Section 6. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, or for any reason unenforceable, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, or regulation of this Ordinance.

Section 7. That this Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the ____ day of _____, 2016, and finally

PASSED, APPROVED AND ADOPTED on this the ____ day of _____,
2016.

THE CITY OF SAN ANGELO

ATTEST:

by: _____
Dwain Morrison, Mayor

by: _____
Bryan Kendrick, City Clerk

APPROVED AS TO FORM

by: _____
Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Second Reading of an Ordinance approving a request for the following alley right-of-way abandonments: (a) two 10-foot-wide alleys within Blocks A & B of the J.P. Holmes' Resubdivision, consisting of approximately 1,912 square feet and (b) a 20-foot-wide alley in the south ½ of Block C, Baze Addition of the Malone Subdivision, consisting of approximately 7,898 square feet, generally located north of Upton Street, east of North Baze Street, south of Veck Street and west of the Texas-Pacifico Railway line. (J. James)

Summary/History:

The alley rights-of-way under consideration were platted in 1910 (Malone Subdivision of the South ½ of Block C, Baze Addition) and 1928 (Holmes' Resubdivision of Blocks A and B, Baze Addition). They are situated within an overall approximately 4.86-acre property that is located at the northeast corner of Upton and North Baze Streets and currently house a metals recycling operation. The purpose of this request is to revert otherwise unutilized and platted alley rights-of-way into acreage and incorporate them into the Petitioner's property, thereby satisfying Condition number six of the approved Conditional Use, CU14-12, that was previously approved by the Planning Commission. The subsequent reversion to acreage and land assembly should cure notable and long-standing building and use encroachments.

Financial Impact:

N/A

Other Information/Recommendation:

A Motion to approve the proposed public right-of-way (alley) abandonment was made by Commissioner Smith and seconded by Commissioner Stribling. The motion carried unanimously, 6-0.

Attachments:

1. Staff Report Alley Abandonment (Holmes_Malone) Report_City Council.docx
2. Draft Ordinance 17-070_PLANN_HOLMES_RESUBDIVISION_ALLEY_ABANDON_ORD_11-15-16(R).docx
3. Exhibit A Alley Abandonment (Holmes_Malone)_EX-A.pdf

Presentation:

Jon James

Approvals/Reviews:

Rebeca Guerra

Jon James

Theresa James

Anthony Wilson

Jon James

Created/Initiated

Approved

Approved

Approved

Approved

Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Final Approval

STAFF REPORT



Meeting: November 15, 2016
December 6, 2016

To: City Council

From: Jon James, AICP
Director of Planning and Development Services

Through: Rebeca A. Guerra, AICP, LEED-AP, CPD
Planning Manager

Request: Alley ROW Abandonment (Oak Cliff Metals) – a request to approve the following alley right-of-way abandonments: (a) all of the 10-foot-wide alley between Lots 20 – 23 and Lot 31 of the J.P. Holmes' Resubdivision of Blocks A and B, Baze Addition (Volume 1, Page 72, OPRTGCTX), consisting of approximately 1,912 square feet; (b) all of the 10-foot-wide alley between Lots 24-27 and Lot 29 of the J.P. Holmes' Resubdivision of Blocks A and B, Baze Addition (Volume 1, Page 72, OPRTGCTX), consisting of approximately 1,912 square feet; and (c) all of the 20-foot-wide alley between Lots 1-6 and Lot 7 and adjoining Lots 7 – 8 of the Malone Subdivision of the South ½ of Block C, Baze Addition (Volume 63, Page 621, OPRTGCTX), consisting of approximately 7,898 square feet

Location: Generally located north of Upton Street, east of North Baze Street, south of Veck Street and west of the Texas-Pacifico Railway line

Size: Approximately 0.27 acres (11,722 square feet)

General Information

Future Land Use: Industrial

Zoning: Light Manufacturing (ML)

Existing Land Use: Metals Recycling Operation

Surrounding Zoning/Land Use:

North:	Light Manufacturing (ML)	Metals Recycling Operation
West:	Single-Family Residence (RS-1)	Metals Recycling Operation; Single Family Dwellings
South:	Light Manufacturing (ML)	Metals Recycling Operation
East:	Light Manufacturing (ML)	Metals Recycling Operation; Railroad

District: SMD#3– Harry Thomas

Neighborhood: Paulann

History and Background:

The alley rights-of-way under consideration were platted in 1910 (Malone Subdivision of the South ½ of Block C, Baze Addition) and 1928 (Holmes' Resubdivision of Blocks A and B, Baze Addition). They are situated within an overall approximately 4.86-acre property that is located at the northeast corner of Upton and North Baze Streets and currently house a metals recycling operation. The purpose of this request is to revert otherwise unutilized and platted alley rights-of-way into acreage and incorporate them into the Petitioner's property, thereby satisfying Condition number six of the approved Conditional Use, CU14-12, that was previously approved by the Planning Commission. The subsequent reversion to acreage and land assembly should cure notable and long-standing building and use encroachments.

Planning Staff circulated the application to other City departments and private utility companies in the area. The City's Engineering Department offers no objection to the request. Atmos Energy indicates that there are no existing facilities in these rights-of-way. No other responses were received.

Notification:

Given that the subject alley rights-of-way are contained within the Petitioner's property, no mailed notifications were necessary. The Petition, however, is subject to notice through publication in a newspaper of record.

Planning Commission Recommendation:

On October 17, 2016, the Planning Commission recommended **APPROVAL** for alley right-of-way abandonments encompassing a total area of approximately 11,722 square feet, subject to the three conditions contained in the Staff Report, by a unanimous 6-0 vote. The following is the complete excerpt of the minutes from the October 17, 2016, meeting for this case:

David Stallworth, Principal Planner, outlined the case. Mr. Stallworth provided Planning Staff's rationale for recommending approval, which included satisfying Condition number six of a previously-approved Conditional Use, CU14-12, which required that alleyways "currently encroached upon by existing buildings shall be formally abandoned or said buildings relocated outside of these right-of-ways."

A Motion to approve the proposed public right-of-way (alley) abandonment was made by Commissioner Smith and seconded by Commissioner Stribling. The motion carried unanimously, 6-0.

Staff's Recommendation:

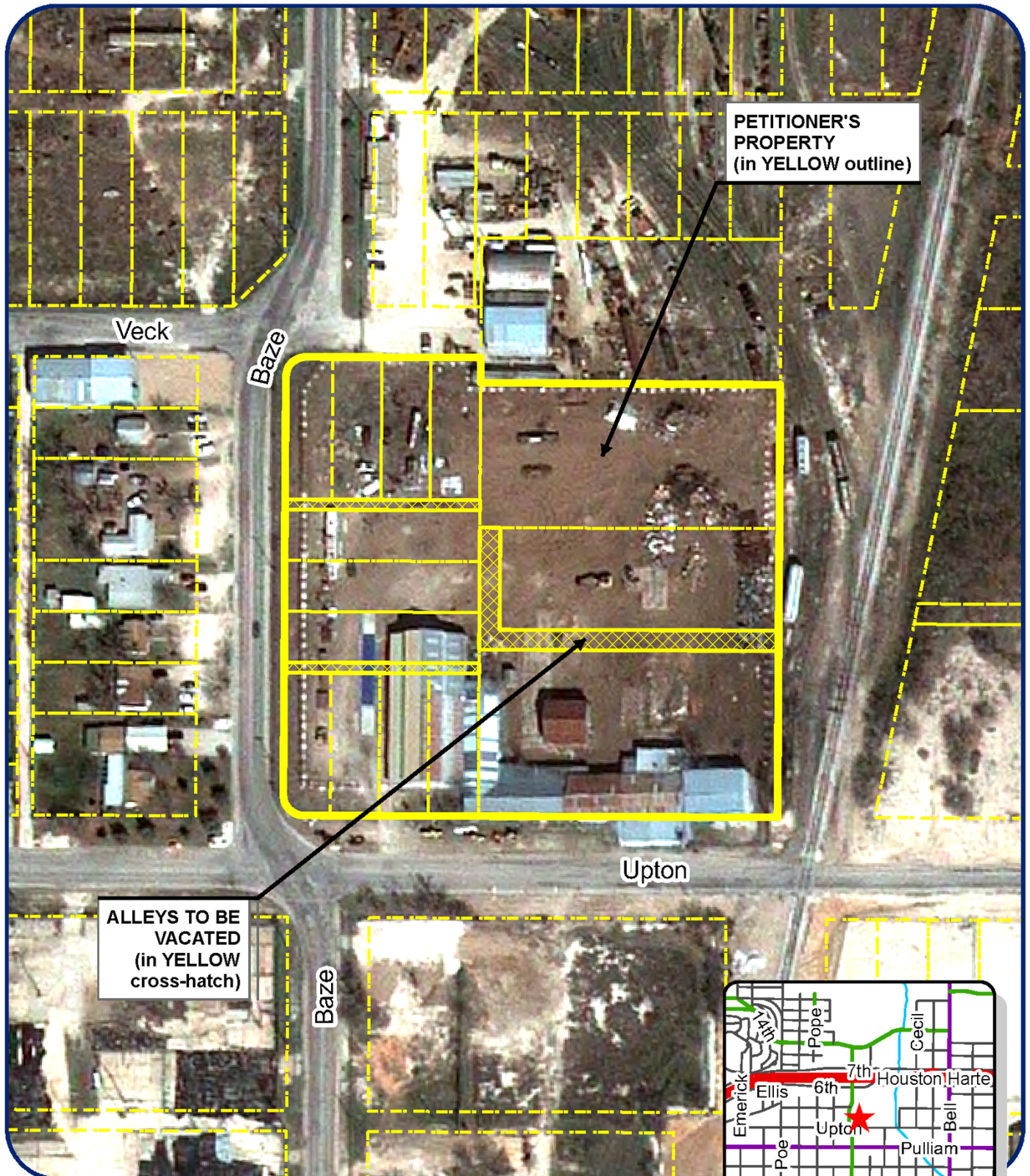
Staff's recommendation is for City Council to **APPROVE** a request for alley right-of-way abandonments encompassing a total area of approximately 11,722 square feet, **subject to the following three Conditions of Approval:**

Proposed Conditions:

1. Per the Code of Ordinances, Section A9.008, payment per the assessment formula outlined in the fee schedule shall be remitted for all of the abandoned right-of-way, if the abandonment is approved.
2. Verification of the recordation of quit claim deed(s) officially abandoning the City's claim to the entirety of the abandoned alley shall be provided.
3. The Petitioner shall record an approved replat that assembles all platted lands and reversions to acreage associated with the overall property into a single lot within a period not to exceed one year from the effective date of this approval.

Attachments:

Aerial Map
Location Map
Metes-and-Bounds Descriptions of Abandonments
Survey Plat
Previous Approvals



ROW Abandonment Case File

Alleys - Oak Cliff Metals Property

Council District: SMD #3 (Thomas)

Neighborhood: Paulann

Scale: 1 inch :: 150 feet

Legal Desc: Alleys within JP Holmes Resubd. and Malone Subd., Baze Addition

Legend

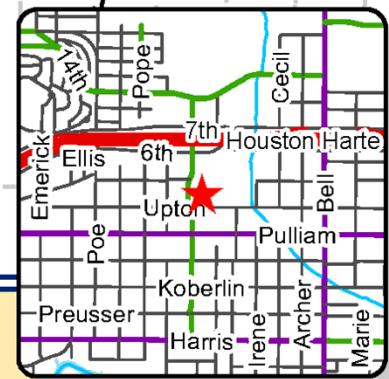
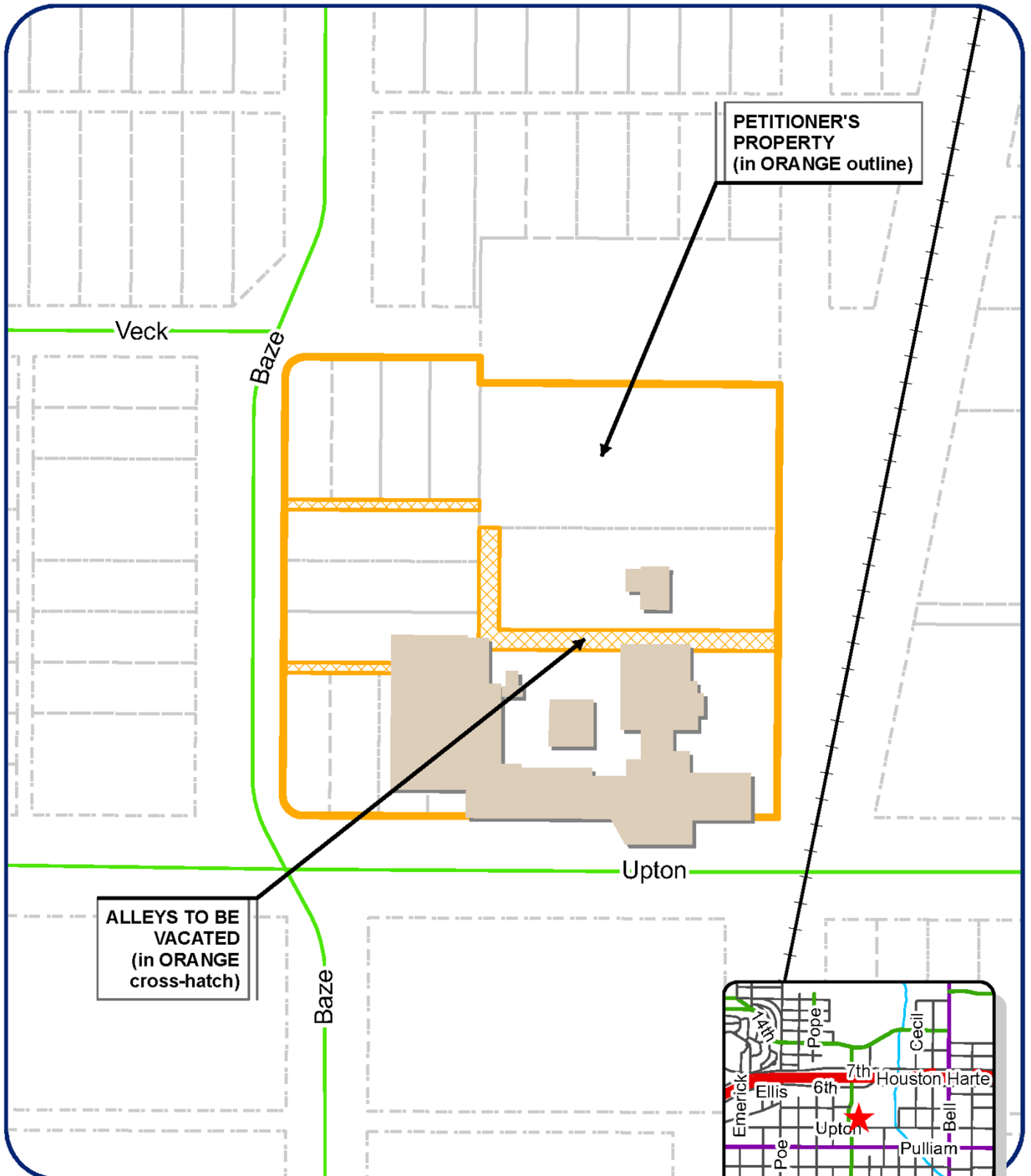
Alleys to be vacated: —

Current Zoning: ML

Requested Zoning Change: N/A

Vision: Industrial





ROW Abandonment Case File

Alleys - Oak Cliff Metals Property

Council District: SMD #3 (Thomas)

Neighborhood: Paulann

Scale: 1 inch :: 150 feet

Legal Desc: Alleys within JP Holmes Resubd. and Malone Subd., Baze Addition

Legend

Alleys to be vacated: —

Current Zoning: ML

Requested Zoning Change: N/A

Vision: Industrial

FIELD NOTES

1912 Square Feet (10' Alley – North)

August 10, 2016
16-S-0986

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 20 – 23 and Lot 31, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 20 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 20;

Thence with the north line of this tract and said alley and the south line of said Lots 20 – 23, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 23;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 31;

Thence with the south line of this tract and said alley and the north line of said Lot 31, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

1912 Square Feet (10' Alley – South)

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 24 – 27 and Lot 29, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 29 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 29;

Thence with the north line of this tract and said alley and the south line of said Lot 29, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 29;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 24;

Thence with the south line of this tract and said alley and the north line of said Lot 24 - 27, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

7868 Square Feet (20' Alley – East)

Being an area of 7868 Square Feet of land and being all of a 20.00 feet wide alley between Lots 1-6 and Lot 7 and adjoining Lots 7 and 8, Malone Subdivision of the S/2 of Block C, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 63, Page 621, Deed Records of Tom Green County, Texas and said 7868 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the southeast corner of this tract and said alley and the northeast corner of said Lot 6 and being in the west line of A. T. & S. F. Ry. Co.;

Thence with the south line of this tract and said alley and the north line of said Lots 6 – 1, S. 89° 57' 34" W. 293.40 feet to the southwest corner of this tract and said alley and the northwest corner of said Lot 1;

Thence with the west line of this tract and said alley, N. 00° 02' 26" W. 120.00 feet to the northwest corner of this tract and said alley;

Thence with the north line of this tract and said alley, N. 89° 57' 34" E. 20.00 feet to the north northeast corner of this tract and said alley and the northwest corner of said Lot 8;

Thence with an east line of this this tract and said alley and the west line of said Lots 8 and 7, S. 00° 02' 26" E. 100.00 feet to an ell corner of this tract and said alley and the southwest corner of said Lot 7;

Thence with the easterly north line of this tract and said alley and the south line of said Lot 7, N. 89° 57' 34" E. 273.40 feet to the east northeast corner of this tract and said alley and the southeast corner of said Lot 7 in the west line of said A. T. & S. F. Ry. Co.;

Thence with the most easterly line of this tract and said alley and the west line of said A. T. & S. F. Ry. Co., S. 00° 02' 26" E. 20.00 feet to the place of beginning and containing an area of 7868 square feet of land.

Bearings recited hereon are based on Texas Coordinate System NAD83 – Texas Central Zone by GPS observation.

See attached sketch.

FIELD NOTES

1912 Square Feet (10' Alley – North)

August 10, 2016
16-S-0986

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 20 – 23 and Lot 31, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 20 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 20;

Thence with the north line of this tract and said alley and the south line of said Lots 20 – 23, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 23;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 31;

Thence with the south line of this tract and said alley and the north line of said Lot 31, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

1912 Square Feet (10' Alley – South)

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 24 – 27 and Lot 29, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 29 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 29;

Thence with the north line of this tract and said alley and the south line of said Lot 29, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 29;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 24;

Thence with the south line of this tract and said alley and the north line of said Lot 24 - 27, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

7868 Square Feet (20' Alley – East)

Being an area of 7868 Square Feet of land and being all of a 20.00 feet wide alley between Lots 1-6 and Lot 7 and adjoining Lots 7 and 8, Malone Subdivision of the S/2 of Block C, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 63, Page 621, Deed Records of Tom Green County, Texas and said 7868 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the southeast corner of this tract and said alley and the northeast corner of said Lot 6 and being in the west line of A. T. & S. F. Ry. Co.;

Thence with the south line of this tract and said alley and the north line of said Lots 6 – 1, S. 89° 57' 34" W. 293.40 feet to the southwest corner of this tract and said alley and the northwest corner of said Lot 1;

Thence with the west line of this tract and said alley, N. 00° 02' 26" W. 120.00 feet to the northwest corner of this tract and said alley;

Thence with the north line of this tract and said alley, N. 89° 57' 34" E. 20.00 feet to the north northeast corner of this tract and said alley and the northwest corner of said Lot 8;

Thence with an east line of this this tract and said alley and the west line of said Lots 8 and 7, S. 00° 02' 26" E. 100.00 feet to an ell corner of this tract and said alley and the southwest corner of said Lot 7;

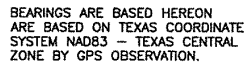
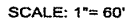
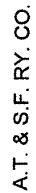
Thence with the easterly north line of this tract and said alley and the south line of said Lot 7, N. 89° 57' 34" E. 273.40 feet to the east northeast corner of this tract and said alley and the southeast corner of said Lot 7 in the west line of said A. T. & S. F. Ry. Co.;

Thence with the most easterly line of this tract and said alley and the west line of said A. T. & S. F. Ry. Co., S. 00° 02' 26" E. 20.00 feet to the place of beginning and containing an area of 7868 square feet of land.

Bearings recited hereon are based on Texas Coordinate System NAD83 – Texas Central Zone by GPS observation.

See attached sketch.

THIS SURVEY IS PROTECTED BY ALL
APPLICABLE STATE AND FEDERAL COPYRIGHT
LAWS. THIS SURVEY IS VOID WITHOUT AN
ORIGINAL SIGNATURE AND SEAL.



SKG
ENGINEERING, LLC
SURVEYING • ENVIRONMENTAL • LAB/CMT

706 SOUTH ABE STREET
SAN ANGELO, TEXAS 76903

PHONE: 325 655 1288
FAX: 325 657 8189

FIRM NO. 10102400
www.skg.com

This document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.

16--S-0986



The City Of

San Angelo, Texas

Planning Division

52 West College Avenue, 76903

December 17, 2014

Mr. Benji Smith
Falcon Transit, Inc.
500 Brown Industrial Road
Waxahachie, TX 75167

SUBJECT: CU14-12: Falcon Transit, Inc., a request for approval of a Conditional Use to allow for a metal salvage and recycling facility in a Light Manufacturing (ML) zoning district, on the following property:

PROPERTY: 1000 and 1008 Upton Street, located at the northeast corner of Upton Street and North Baze Street, more specifically occupying the South ½ of the North ½ of Block C, Baze Addition; Lots 1-8, Malones Subdivision; and the J.P. Holmes Resubdivision of Blocks A and B, Lots 20-27 and 29-31; in east San Angelo.

Dear Mr. Smith:

At its meeting on **Monday, October 20, 2014**, the Planning Commission for the City of San Angelo **approved, with conditions** the Conditional Use that will allow for a metal salvage and recycling facility as defined in Section 316.E. of the Zoning Ordinance, on the aforementioned property. The conditions are as follows:

1. Any storage on the western 100 feet of the property (approximate distance from property line to existing building) shall be no more than 7 feet in height.
2. An 8-foot opaque privacy fence shall be constructed along the full length of the western side of the property, beginning 25 feet back from the west property line, tapering to 3 feet, within the bottom 30 feet of North Baze Street, to provide visual clearance for traffic from the intersection of North Street and Upton Street. Any barbed wire from any existing fencing shall be hidden by the opaque fence or removed in its entirety. In addition, the planting of 5 drought-resistant trees, a minimum of 3" caliper and 5-6 feet in height at time of planting, shall be installed in front of the opaque fence.
3. Outdoor activities associated with the metal salvage and recycling facility shall not commence prior to 8AM or later than 7PM. This condition shall expire when there is no longer any residential uses within 200 feet of the properties which are the subject of this request. This shall also include the pickup and loading of collected materials to off-site locations for processing or other means.

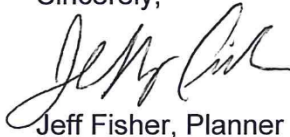
4. Collection of waste materials shall be limited to metals only and there shall be no collection or storage of hazardous wastes on the property.
5. All exterior lighting shall be shielded and positioned in such a manner so as to not spill over onto any adjacent property.
6. Alleyways currently encroached upon by existing buildings shall be formally abandoned or said buildings relocated outside of these right-of-ways. Alternatively, recorded proof from the Tom Green County Clerk that these alleyways have been abandoned shall waive this condition.

Please be advised that a permit may still be necessary, obtainable from the City's Permits and Inspections Division. Their offices are located at 52 West College Avenue, beside San Angelo's City Hall. They may also be reached by phone at (325) 657-4420. We will also send a copy of this clearance letter to their attention so that they will also understand the circumstances and issue the permit accordingly.

Also be advised that, according to Section 208 of San Angelo's City Ordinance, a Conditional Use is null and void if a building permit for the approved use is not acquired within 12 months of the date of approval. Thus, this Conditional Use will expire on **October 20, 2015** if this burden is not met.

If you have any questions concerning these proceedings, please contact the Planning Division at 325-657-4210.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Fisher", is written over the typed name.

Jeff Fisher, Planner



The City Of

San Angelo, Texas

Planning Division

52 West College Avenue, 76903

October 20, 2015

Mr. Benji Smith
Falcon Transit, Inc.
500 Brown Industrial Road
Waxahachie, TX 75167

SUBJECT: CU14-12: Falcon Transit, Inc., a request for approval of a Conditional Use to allow for a metal salvage and recycling facility in a Light Manufacturing (ML) zoning district, on the following property:

PROPERTY: 1000 and 1008 Upton Street, located at the northeast corner of Upton Street and North Baze Street, more specifically occupying the South ½ of the North ½ of Block C, Baze Addition; Lots 1-8, Malones Subdivision; and the J.P. Holmes Resubdivision of Blocks A and B, Lots 20-27 and 29-31; in east San Angelo.

Dear Mr. Smith:

At its meeting on **Monday, October 20, 2014**, the Planning Commission for the City of San Angelo **approved, with conditions** a Conditional Use that will allow for a metal salvage and recycling facility as defined in Section 316.E. of the Zoning Ordinance, on the aforementioned property (see attached approval letter).

Section 208.G of the Zoning Ordinance states that "if the designated use is not made of the property within the time limit granted, the Conditional Use Approval shall be canceled and revoked and be of no effect." The Conditional Use Approval will expire on **October 20, 2015**, if the approved use has not taken affect, and if the conditions of approval have not been fulfilled, unless the Planning Director, "with significant evidence that the designated use cannot be realistically implemented with due diligence within that time period", may grant up to 12 additional months.

We have received your written correspondence from October 7, 2015, regarding abandoning the alleys, Condition #6, and realize you will require more time to complete this process.

Planning Staff have conducted a site visit on Tuesday, October 9, 2015, and confirm that all other Conditions of Approval have been fulfilled as required, as per the attached photos.

By the authority granted in Section 208.G of the Zoning Ordinance, The Planning Manager hereby grants an extension of your Conditional Use until October 20,

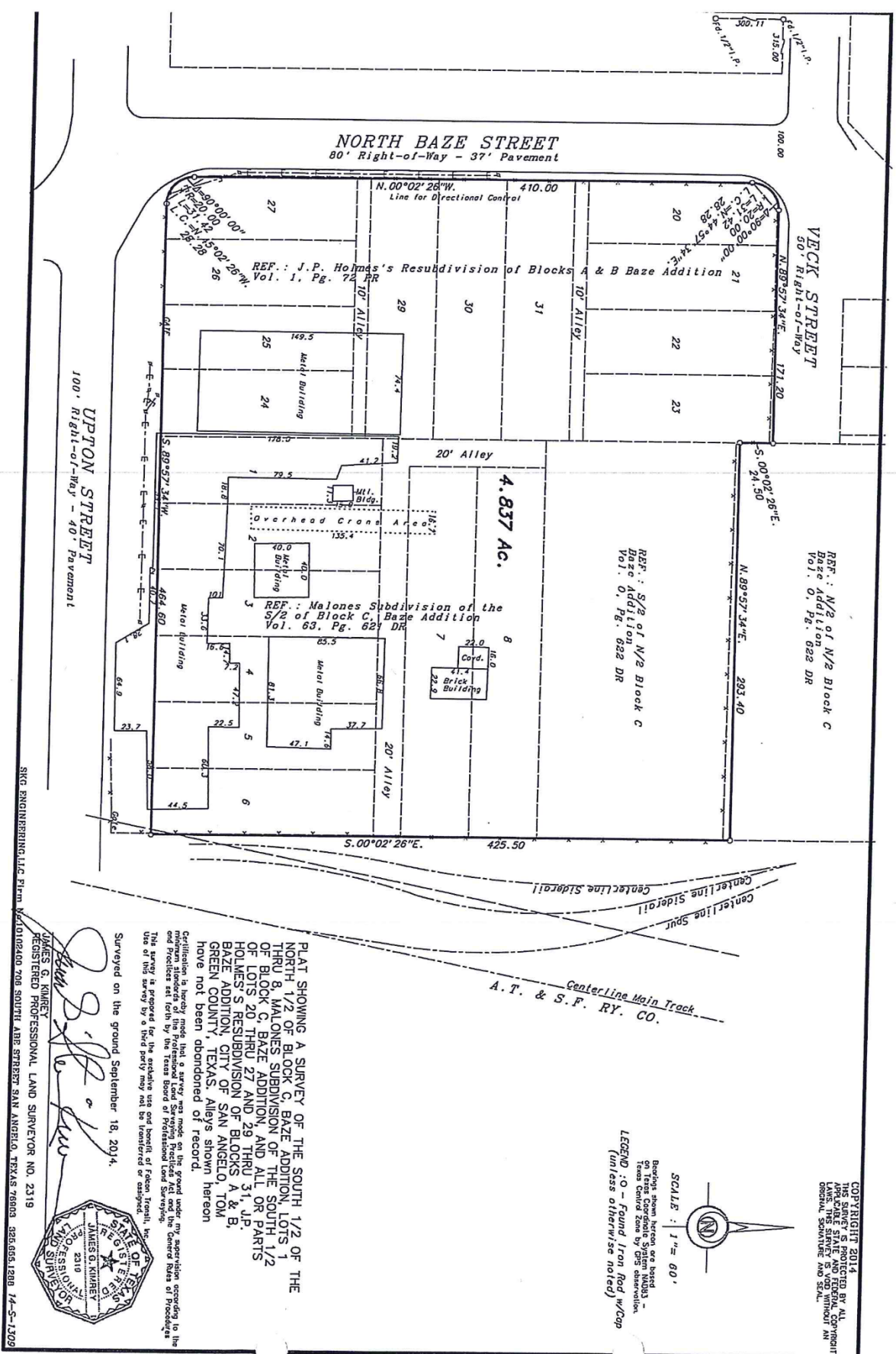
2016. As per Condition #6 in the attached approval letter, please provide recorded proof from the Tom Green County Clerk that the alleyways have been abandoned prior to October 20, 2016, and all conditions of approval will be deemed completed.

If you have any questions concerning these proceedings, please contact the Planning Division at 325-657-4210.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rebeca Guerra', is written over the printed name and title.

Rebeca Guerra, AICP, LEED-AP, CPD
Planning Manager



AN ORDINANCE PROVIDING FOR ABANDONMENT AND CLOSING OF THE FOLLOWING IMPROVED ALLEY SEGMENTS, TO WIT: (A) ALL OF THE 10-FOOT-WIDE ALLEY BETWEEN LOTS 20 – 23 AND LOT 31 OF THE J.P. HOLMES' RESUBDIVISION OF BLOCKS A AND B, BAZE ADDITION (VOLUME 1, PAGE 72, OPRTGCTX), CONSISTING OF APPROXIMATELY 1,912 SQUARE FEET; (B) ALL OF THE 10-FOOT-WIDE ALLEY BETWEEN LOTS 24-27 AND LOT 29 OF THE J.P. HOLMES' RESUBDIVISION OF BLOCKS A AND B, BAZE ADDITION (VOLUME 1, PAGE 72, OPRTGCTX), CONSISTING OF APPROXIMATELY 1,912 SQUARE FEET; AND (C) ALL OF THE 20-FOOT-WIDE ALLEY BETWEEN LOTS 1-6 AND LOT 7 AND ADJOINING LOTS 7 – 8 OF THE MALONE SUBDIVISION OF THE SOUTH ½ OF BLOCK C, BAZE ADDITION (VOLUME 63, PAGE 621, OPRTGCTX), CONSISTING OF APPROXIMATELY 7,898 SQUARE FEET (TOTAL AREA, 11,722 SQUARE FEET) IN SAN ANGELO, TOM GREEN COUNTY, TEXAS; AUTHORIZING CONVEYANCE THEREOF BY QUITCLAIM DEED TO ABUTTING PROPERTY OWNERS; AND PROVIDING TERMS AND CONDITIONS OF ABANDONMENT AND CONVEYANCE.

WHEREAS, the City Council of the City of San Angelo, acting pursuant to law, deems it advisable to abandon and convey the herein described tracts of land to the abutting property owner and is of the opinion that said land is not needed for public use, and that same should be abandoned and quit claimed to the abutting property owner as hereinafter provided; and

WHEREAS, the City Council of the City of San Angelo is of the opinion that the best interest and welfare of the public will be served by abandoning and conveying said tract of land to the abutting property owner(s), subject to the conditions and restrictions contained herein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF SAN ANGELO:

SECTION 1: That the public alley rights-of-way (hereafter referred to as "subject tracts of land") located in the City of San Angelo, Tom Green County, Texas, described and depicted in **Exhibit "A,"** attached hereto and made a part hereof for all purposes, be and the same are hereby abandoned, vacated and closed insofar as the right, title and easement of the public are concerned; subject however, to the conditions and restrictions hereinafter more fully set out.

SECTION 2: That the abandonments and conveyances provided for herein are made and accepted subject to all present zoning and deed restrictions, if the latter exist, and all existing easements, if any, whether apparent or non-apparent, aerial, surface, underground or otherwise.

SECTION 3: That the abandonment and conveyance provided for herein shall extend only to the public right, title, easement and interest and shall be construed to extend only to the interest which the governing body for the City of San Angelo may legally and lawfully abandon and vacate.

SECTION 4: That as a condition of the abandonments and as part of the consideration for the quitclaim deeds authorized under this Ordinance, the Grantee shall:

- a) Pay all recording fees related to the abandonment and authorized conveyances;
- b) Pay the applicable fee per square foot for the sum of square feet of abandoned right-of-way pursuant to Ordinance; and
- c) Before the passing of one year from the effective date of this Ordinance, the Petitioner shall secure and record an approved replat with the Official Public Records of Real Property, Tom Green County Clerk, that assembles all subject tracts of land with any immediately abutting lands as owned by the Petitioner, as depicted on **Exhibit “A.”**

SECTION 5: That the terms and conditions contained in this Ordinance shall be binding upon Grantee and Grantees’ heirs, successors and assigns.

SECTION 6: That the Mayor of the City of San Angelo is hereby authorized to execute and, upon receipt of the consideration provided for at Section 4, herein, deliver quit claim deeds conveying the subject tracts of land as described in **Exhibit “A,”** to the abutting property owner.

Comment [d1]: There is no apparent remedy for a failure to comply after the quitclaim deed is recorded; however, recoding the ordinance may suffice for all purposes.

SECTION 7: That the City Clerk is hereby authorized and directed to certify a copy of this adopted Ordinance for recordation in the Official Real Property Records of Tom Green County, Texas, wherein the tracts of land are located.

INTRODUCED on the **15th day of November, 2016**, and finally PASSED, APPROVED AND ADOPTED on this the **6th day of December, 2016**.

THE CITY OF SAN ANGELO

Dwain Morrison, Mayor

ATTEST:

APPROVED AS TO FORM:

Bryan Kendrick, City Clerk

Theresa James, City Attorney

EXHIBIT-A (1 of 7)

PETITIONER'S
PROPERTY
(in ORANGE outline)

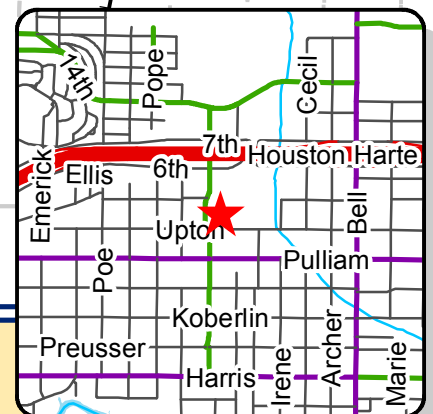
Veck

Baze

Upton

ALLEYS TO BE
VACATED
(in ORANGE
cross-hatch)

Baze



ROW Abandonment Case File

Alleys - Oak Cliff Metals Property

Council District: SMD #3 (Thomas)

Neighborhood: Paulann

Scale: 1 inch :: 150 feet

Legal Desc: Alleys within JP Holmes Resubd. and Malone Subd., Baze Addition

Legend

Alleys to be vacated:
Current Zoning: ML
Requested Zoning Change: N/A
Vision: Industrial

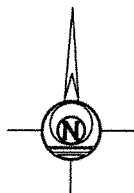
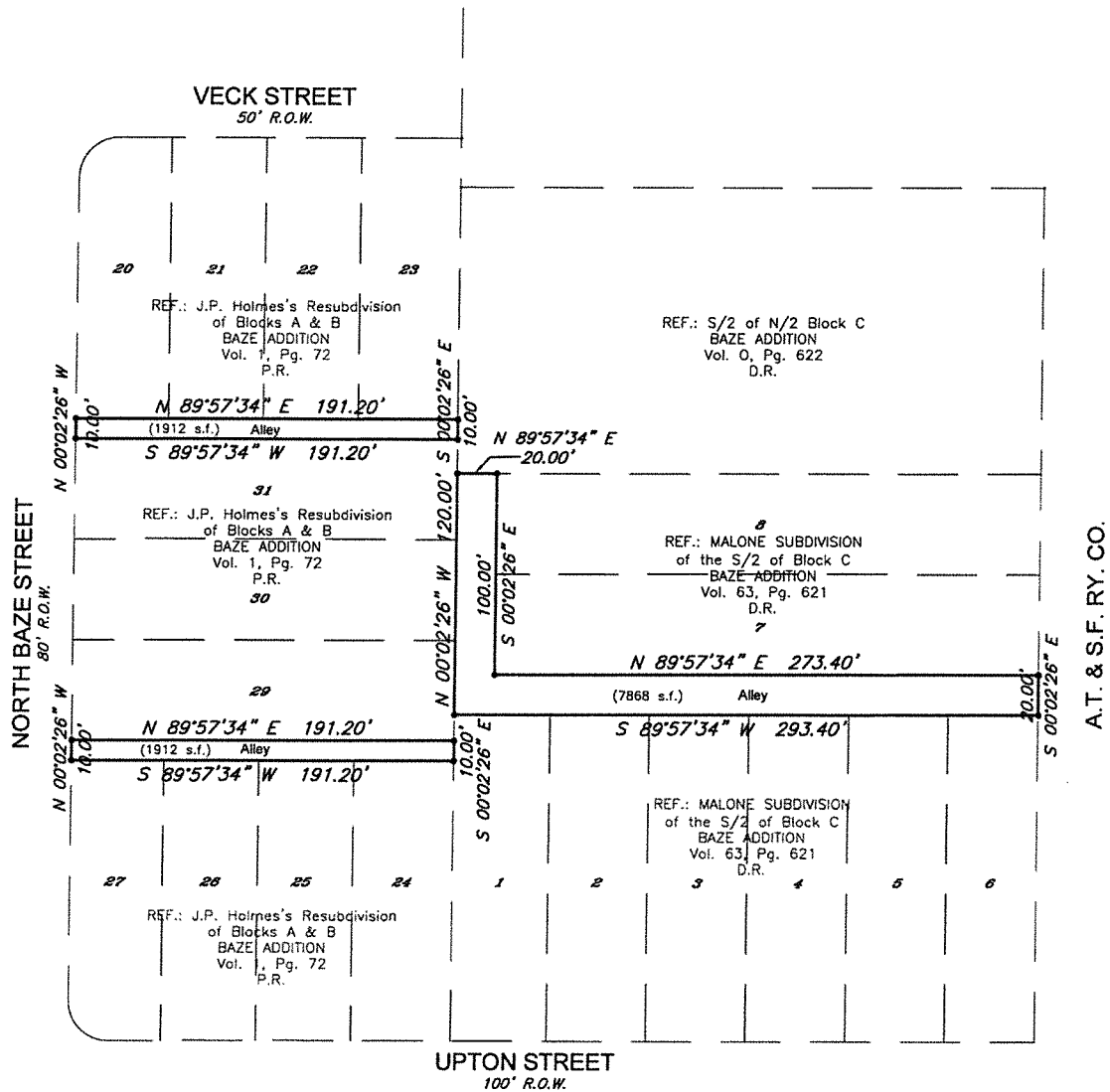
N



EXHIBIT-A (2 of 7)

COPYRIGHT 2016

THIS SURVEY IS PROTECTED BY ALL APPLICABLE STATE AND FEDERAL COPYRIGHT LAWS. THIS SURVEY IS VOID WITHOUT AN ORIGINAL SIGNATURE AND SEAL.



SCALE: 1"= 60'

0 30 60 120
GRAPHIC SCALE - FEET

BEARINGS ARE BASED HEREON
ARE BASED ON TEXAS COORDINATE
SYSTEM NAD83 - TEXAS CENTRAL
ZONE BY GPS OBSERVATION.

dt

SKG
ENGINEERING, LLC
SURVEYING • ENVIRONMENTAL • LAB/CMT
708 SOUTH ABE STREET
SAN ANGELO, TEXAS 76903
FIRM NO. 10102400
www.skg.com

SKETCH SHOWING 10.00 WIDE ALLEY (TWO (2)) AND A 20' WIDE ALLEY PROPOSED FOR CLOSURE CONTAINING TWO (2) 1912 SQUARE FEET OF LAND AND 7868 SQUARE FEET OF LAND, LYING BETWEEN LOTS 20-23 AND LOT 31, BETWEEN LOTS 24-27 AND LOT 29, J.P. HOLMES'S RESUBDIVISION OF BLOCK A & B, BAZE ADDITION AND BETWEEN LOTS 1-6 AND LOT 7 AND ALSO ADJOINING LOT 7 AND 8, MALONE SUBDIVISION OF THE SOUTH HALF OF BLOCK C, BAZE ADDITION, CITY OF SAN ANGELO, TOM GREEN COUNTY, TEXAS. SEE ATTACHED FIELD NOTES.

This document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.

16-S-0986

EXHIBIT-A (3 of 7)

FIELD NOTES

1912 Square Feet (10' Alley – North)

August 10, 2016
16-S-0986

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 20 – 23 and Lot 31, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 20 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 20;

Thence with the north line of this tract and said alley and the south line of said Lots 20 – 23, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 23;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 31;

Thence with the south line of this tract and said alley and the north line of said Lot 31, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

1912 Square Feet (10' Alley – South)

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 24 – 27 and Lot 29, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 29 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 29;

Thence with the north line of this tract and said alley and the south line of said Lot 29, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 29;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 24;

Thence with the south line of this tract and said alley and the north line of said Lot 24 - 27, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

EXHIBIT-A (4 of 7)

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

7868 Square Feet (20' Alley – East)

Being an area of 7868 Square Feet of land and being all of a 20.00 feet wide alley between Lots 1-6 and Lot 7 and adjoining Lots 7 and 8, Malone Subdivision of the S/2 of Block C, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 63, Page 621, Deed Records of Tom Green County, Texas and said 7868 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the southeast corner of this tract and said alley and the northeast corner of said Lot 6 and being in the west line of A. T. & S. F. Ry. Co.;

Thence with the south line of this tract and said alley and the north line of said Lots 6 – 1, S. 89° 57' 34" W. 293.40 feet to the southwest corner of this tract and said alley and the northwest corner of said Lot 1;

Thence with the west line of this tract and said alley, N. 00° 02' 26" W. 120.00 feet to the northwest corner of this tract and said alley;

Thence with the north line of this tract and said alley, N. 89° 57' 34" E. 20.00 feet to the north northeast corner of this tract and said alley and the northwest corner of said Lot 8;

Thence with an east line of this tract and said alley and the west line of said Lots 8 and 7, S. 00° 02' 26" E. 100.00 feet to an ell corner of this tract and said alley and the southwest corner of said Lot 7;

Thence with the easterly north line of this tract and said alley and the south line of said Lot 7, N. 89° 57' 34" E. 273.40 feet to the east northeast corner of this tract and said alley and the southeast corner of said Lot 7 in the west line of said A. T. & S. F. Ry. Co.;

Thence with the most easterly line of this tract and said alley and the west line of said A. T. & S. F. Ry. Co., S. 00° 02' 26" E. 20.00 feet to the place of beginning and containing an area of 7868 square feet of land.

Bearings recited hereon are based on Texas Coordinate System NAD83 – Texas Central Zone by GPS observation.

See attached sketch.

EXHIBIT-A (5 of 7)

FIELD NOTES

1912 Square Feet (10' Alley – North)

August 10, 2016
16-S-0986

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 20 – 23 and Lot 31, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 20 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 20;

Thence with the north line of this tract and said alley and the south line of said Lots 20 – 23, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 23;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 31;

Thence with the south line of this tract and said alley and the north line of said Lot 31, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

1912 Square Feet (10' Alley – South)

Being an area of 1912 Square Feet of land and being all of a 10.00 feet wide alley between Lots 24 – 27 and Lot 29, J. P. Holmes's Resubdivision of Blocks A & B, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 1, Page 72, Plat Records of Tom Green County, Texas and said 1912 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract in the south line of said Lot 29 and also being the intersection of the east line of North Baze Street, the north line of said alley and the south line of said Lot 29;

Thence with the north line of this tract and said alley and the south line of said Lot 29, N. 89° 57' 34" E. 191.20 feet to the northeast corner of this tract and said alley and the southeast corner of said Lot 29;

Thence with the east line of this tract and said alley, S. 00° 02' 26" E. 10.00 feet to the southeast corner of this tract and said alley and the northeast corner of said Lot 24;

Thence with the south line of this tract and said alley and the north line of said Lot 24 - 27, S. 89° 57' 34" W. 191.20 feet to the southwest corner of this tract and said alley and also being the intersection of the south line of said alley and the north line of said Lot 31 with said east line of North Baze Street;

EXHIBIT-A (6 of 7)

Thence with the west line of this tract and said alley and the east line of said North Baze Street, N. 00° 02' 26" W. 10.00 feet to the place of beginning and containing an area of 1912 square feet of land.

7868 Square Feet (20' Alley – East)

Being an area of 7868 Square Feet of land and being all of a 20.00 feet wide alley between Lots 1-6 and Lot 7 and adjoining Lots 7 and 8, Malone Subdivision of the S/2 of Block C, Baze Addition, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 63, Page 621, Deed Records of Tom Green County, Texas and said 7868 square feet tract being more particularly described by metes and bounds as follows:

Beginning at the southeast corner of this tract and said alley and the northeast corner of said Lot 6 and being in the west line of A. T. & S. F. Ry. Co.;

Thence with the south line of this tract and said alley and the north line of said Lots 6 – 1, S. 89° 57' 34" W. 293.40 feet to the southwest corner of this tract and said alley and the northwest corner of said Lot 1;

Thence with the west line of this tract and said alley, N. 00° 02' 26" W. 120.00 feet to the northwest corner of this tract and said alley;

Thence with the north line of this tract and said alley, N. 89° 57' 34" E. 20.00 feet to the north northeast corner of this tract and said alley and the northwest corner of said Lot 8;

Thence with an east line of this tract and said alley and the west line of said Lots 8 and 7, S. 00° 02' 26" E. 100.00 feet to an ell corner of this tract and said alley and the southwest corner of said Lot 7;

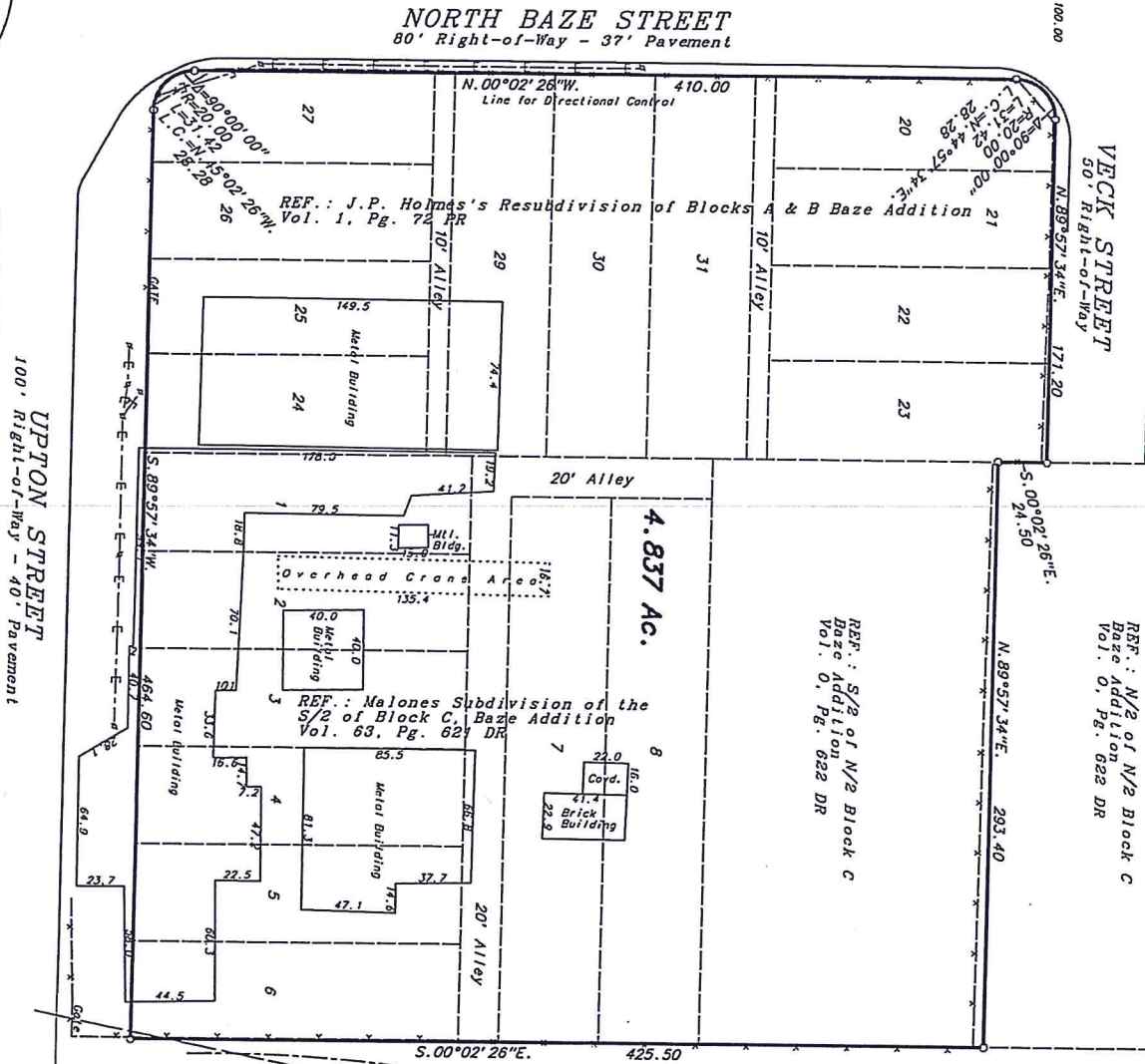
Thence with the easterly north line of this tract and said alley and the south line of said Lot 7, N. 89° 57' 34" E. 273.40 feet to the east northeast corner of this tract and said alley and the southeast corner of said Lot 7 in the west line of said A. T. & S. F. Ry. Co.;

Thence with the most easterly line of this tract and said alley and the west line of said A. T. & S. F. Ry. Co., S. 00° 02' 26" E. 20.00 feet to the place of beginning and containing an area of 7868 square feet of land.

Bearings recited hereon are based on Texas Coordinate System NAD83 – Texas Central Zone by GPS observation.

See attached sketch.

EXHIBIT-A (7 of 7)



PLAT SHOWING A SURVEY OF THE SOUTH 1/2 OF THE NORTH 1/2 OF BLOCK C, BAZE ADDITION, LOTS 1 THRU 8, MALONES SUBDIVISION OF THE SOUTH 1/2 OF BLOCK C, BAZE ADDITION, AND ALL OR PARTS OF LOTS 20 THRU 27 AND 29 THRU 31, J.P. HOLMES'S RESUBDIVISION OF BLOCKS A & B, BAZE ADDITION, CITY OF SAN ANGELO, TOM, GREEN COUNTY, TEXAS. Alleys shown hereon have not been abandoned or of record.

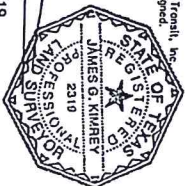
Surveyed on the ground September 18, 2014.

JAMES G. KIRREY
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 2319

LEGEND: O - Found Iron Rod w/Cop (unless otherwise noted)

SCALE: 1" = 60'

COPIRIGHT 2014
THIS SURVEY IS PROTECTED BY ALL RIGHTS RESERVED AND NO PART OF THIS SURVEY MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT PERMISSION IN WRITING FROM THE SURVEYOR.



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Morgan Chegwidden, Budget Manager, Budget, 325-653-6291

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Second Reading of an Ordinance amending the 2016-2017 budget for grants and capital projects (M.Chegwidden)

Summary/History:

This proposed amendment contains the following items (additional information attached):

- Carryover of prior year's allocations for capital projects;
- Fire station 4 capital project; and
- Police bulletproof vest grant.

Financial Impact:

\$32,938,691 (see attached detail on Exhibit A of the ordinance).

Other Information/Recommendation:

Staff recommends approval.

Attachments:

- | | | |
|----|---------------------------------|-----------------------------------|
| 1. | Ordinance | Ordinance.pdf |
| 2. | Exhibit A | Exhibit A.pdf |
| 3. | Additional Information | Additional Information.pdf |
| 4. | Memo - Carryovers | A - Carryovers.pdf |
| 5. | Memo - Fire Station 4 | B - Fire station 4.docx |
| 6. | Memo - Police Bullet Proof Vest | C - PD- Bullet Proof Vest.docx |
| 7. | Powerpoint | 12-6-16 FIN Budget Amendment.pptx |

Presentation:

Morgan Chegwidden

Approvals/Reviews:

Morgan Chegwidden

Created/Initiated

Theresa James
Anthony Wilson
Julia Antilley
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Approved
Approved
Final Approval

**AN ORDINANCE OF THE CITY OF SAN ANGELO AMENDING
THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER
1, 2016, AND ENDING SEPTEMBER 30, 2017, FOR GRANTS AND
CAPITAL PROJECTS.**

WHEREAS the City of San Angelo has determined that new projects not included in the current budget should begin, and

WHEREAS the City of San Angelo has determined that certain budgeted amounts should be amended due to project changes and unforeseen circumstances, and

WHEREAS the resources necessary for these changes are available;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS THAT:

The City's budget for fiscal year 2016-2017 be amended by the amounts contained in Exhibit A.

INTRODUCED on the 15th day of November, 2016, and APPROVED and ADOPTED on this the 6th day of December, 2016.

CITY OF SAN ANGELO, TEXAS

Dwain Morrison, Mayor

ATTEST:

Bryan Kendrick, City Clerk

Approved as to Content and Form:

Tina Dierschke, Finance Director

City of San Angelo
Proposed Budget Amendment
Exhibit A

Fund	Description	Total Revenue Amendment	Total Expense Amendment	Net Benefit/ (Cost)
101	General Fund	565,000	2,953,295	(2,388,295)
103	Intergovernmental	8,820	8,820	-
201	State Office Building	-	30,000	(30,000)
203	Texas Bank Sports Complex	-	66,709	(66,709)
270	Wastewater Operating	-	4,395,717	(4,395,717)
320	Property & Casualty Insurance	-	309,431	(309,431)
410	Civic Events	-	55,158	(55,158)
501	Equipment Replacement	-	134,984	(134,984)
502	General Capital Projects	7,116,101	18,214,994	(11,098,893)
512	Water Capital Projects	-	3,603,450	(3,603,450)
520	Wastewater Capital	-	3,061,298	(3,061,298)
529	Airport PFC	-	104,835	(104,835)
	Total	7,689,921	32,938,691	(25,248,770)

City of San Angelo
Proposed Budget Amendment
Additional
Information

Project/Need	Source of Funding	Revenue	Expense	Net Benefit / (Cost)
Carryover of prior year's allocations for incomplete projects	Multiple funds - fund balance	7,116,101	32,364,871	(25,248,770)
Fire station 4 capital project	Medicare supplement reimbursement	565,000	565,000	-
Police bulletproof vest grant	Federal bullet proof vest grant	8,820	8,820	-
Total		7,689,921	32,938,691	(25,248,770)

Memo

To: Tina Carriger, Finance Director
 From: Morgan Chegwiddden, Budget Manager
 Date: November 4, 2016
 Re: Budget Amendment Request

Purpose of Budget Amendment Request: Carryover remaining fiscal year 2015-16 funds for incomplete projects.

Source of Funding: Multiple Funds – Fund Balance.

Funding previously approved? If so, by City Manager or City Council and when? City Council approved the 2015-16 budget ordinance on September 20, 2016.

Project/Budget to be amended	Original Budget	Proposed Change	Proposed Revised Budget
Revenue			
502 General Capital Projects Fund	0	7,116,101	7,116,101
Total Revenue	0	7,116,101	7,116,101
Expense			
101 General Fund	4,398,124	2,388,295	6,786,419
201 State Office Building Fund	0	30,000	30,000
203 Texas Bank Sports Complex Fund	0	66,709	66,709
270 Wastewater Fund	1,098,049	4,395,717	5,493,766
320 Property/Casualty Fund	181,355	309,431	490,786
410 Civic Events Fund	336,000	55,158	391,158
501 Equipment Replacement Fund	235,041	134,984	370,025
502 General Capital Projects Fund	250,000	18,214,994	18,464,994
512 Water Capital Projects Fund	3,684,117	3,603,450	7,287,567
520 Wastewater Capital Fund	2,839,154	3,061,298	5,900,452
529 Airport PFC Fund	274,936	104,835	379,771
Total Expense	13,296,776	32,364,871	45,661,647

Additional Comments: Breakdown of individual carryovers is attached.

City of San Angelo
Carryovers
FY 2016-17

FUND	Division	PURPOSE	CARRYOVER
Revenue			
502	Parks - Revenue	Auditorium project	7,116,101
Total Revenue			7,116,101
Expense			
101	Facilities Maint	Texas Department of Criminal Justice work camp	5,684
101	Facilities Maint	LED Lighting project	4,526
101	Facilities Maint	City Hall Improvements	25,000
101	Facilities Maint	Building demolition/abatement	617,010
101	Street and Bridge	Seal coat remediation	1,165,407
101	Parks	Parks projects	28,833
101	Fire	Data software system installation	54,770
101	Fire	Fire training center	262,516
101	Fire	Fire Station 4	24,549
101	Fire	Zetron station alerting system	200,000
201	State Office Building	HVAC emergency repairs	30,000
203	Parks	Irrigation upgrades	66,709
270	Wastewater	Sulphur draw project	3,815,717
270	Wastewater	Utility trench repair equipment	580,000
320	Risk Management	Spur Garage repairs	11,521
320	Risk Management	Gun Club project environmental testing	150,000
320	Risk Management	Workers' compensation appeals	147,910
410	Civic Events	Convention center sewer repair	55,158
501	Municipal Court	Vehicle upfit components	5,408
501	Street and Bridge	Dump truck	95,652
501	Fire	Ambulance equipment	33,924
502	Facilities Maint	Facilities upgrades	40,555
502	Facilities Maint	City Hall landscaping	4,640
502	Engineering	Transportation Enhancement Project (MLK)	112,862
502	Street and Bridge	Street improvement funding	193,410
502	Stormwater	Ave P drainage remediation	2,080,000
502	Parks	Dog park	12,000
502	Recreation	Sports & athletics facilities	674,544
502	Recreation	29th St. renovations project	1,750,000
502	Fort Concho	Fort Concho visitors center	900,000
502	Parks - Expense	Auditorium Project	11,520,220
502	Fire	Fire station 4	148,380
502	Fire	Hardware for new system	28,392
502	Fire	New fire trucks	749,991
512	Water	Bell Street reconstruction	3,603,450
520	Wastewater	Bell Street reconstruction	779,575
520	Wastewater	Street program rehabilitation	2,244,493
520	Wastewater	Lift station improvements	37,230
529	Airport	Application fees for professional services	12,678
529	Airport	Local match for Grants 33 and 34	92,157
Total Expense			32,364,871

Memo

To: Morgan Chegwiddden, Budget Manager

From: Brian Dunn, Fire Chief

Date: November 3, 2016

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Fire station 4 capital project

Source of Funding:

Estimated Medicare supplement reimbursement

Funding previously approved? If so, by City Manager or City Council and when?

Application for Medicare supplement approved by council August 21, 2014.

Project/Budget to be amended	Original Budget	Proposed Change	Proposed Revised Budget
101-9000-380.40-00 Reimbursements	0	565,000	565,000
101-9000-800.07-20 Buildings capital expense	0	531,100	531,100
101-9000-422.03-30 Contract services expense	351,310	33,900	385,210

Additional Comments:

Memo

To: Morgan Chegwiddden, Budget Manager

From: Frank Carter _____, Police Chief _____

Date: October 20, 2016

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Increase budget for award of Bullet Proof Vest Grant

Source of Funding:

Federal bullet proof vest grant

Funding previously approved? If so, by City Manager or City Council and when?

Application and acceptance approved with budget ordinance September 20, 2016.

Project/Budget to be amended	Original Budget	Proposed Change	Proposed Revised Budget
103-8711-331.12-00 Grant Revenue	0	8,820	8,820
103-8711-421.06-12 Grant Expense	0	8,820	8,820

Additional Comments:



City Council

December 6, 2016



Budget Amendment

	Revenue	Expense
Carryover of prior year's allocations for incomplete projects	7,116,101	32,364,871
Fire station 4 capital project	565,000	565,000
Police bulletproof vest grant	8,820	8,820





City Council

December 6, 2016



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Robert Schneeman, Economic Development Coordinator, Economic Development, 325.653.7197

Meeting Date: December 6, 2016

Item type: Consent Item

Caption:

Consider ratifying a resolution by COSADC approving an economic development (BREP) incentive to Principal LED, LLC. in an amount up to \$350,000, and authorizing the Board President to negotiate and execute a performance agreement - (Presentation by Economic Development Director Roland Peña)

Summary/History:

Principal LED, located at 4541 N. Bentwood Drive is a local company producing LED lighting fixture assemblies. The company currently employs 51 people at an average salary of approximately \$52,000 per year. Their current real property appraised at approximately \$1.6 million and they intend to construct a new facility at an additional \$800,000 +/- The also intend to create between 15 and 50 new Full Time Equivalent positions at a minimum of \$35,000 per year plus benefits. At its meeting on October 26, 2016 COSADC approved an incentive package to Principal LED not to exceed \$350,000 as shown in the table below.

Proposed Incentives

Type of Incentive	Maximum Amount of Assistance
Development Fee Rebates	\$5,000
Annual Tax Grants (total of 4 years)	\$8,211
Sales & Use Tax	\$4,600
Job Creation Grant	\$250,000
Job Training Grant	\$50,000
Total	\$317,811

At its meeting on November 16, 2016 COSADC approved a resolution in support of City Council approval of a Project to create or retain primary jobs authorized under Section 501.101 of the Development Corporation Act, providing for the expenditure of up to \$350,000 for economic development incentives to Principal LED, LLC, authorizing the Board President to negotiate and execute a Performance Agreement in substantially the same form as the attached.

Financial Impact:

\$317,211 from COSADC Acct No. 440200 BREP Projects.

Other Information/Recommendation:

Attachments:

1. Resolution 5c2 - Chamber Resolution.pdf

2. Performance Agreement

17-053_COSADC_PRINCIAL LED_EDA_MERGED.pdf

Presentation:

Approvals/Reviews:

Robert Schneeman

Created/Initiated

Roland Pena

Approved

Theresa James

Approved

Anthony Wilson

Approved

Julia Antilley

Approved

Tina Dierschke

Approved

Theresa James

Approved

Becky Dunn

Approved

Bryan Kendrick

Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION BOARD OF DIRECTORS, AUTHORIZING THE USE OF SALES AND USE TAX FUNDS IN AN AMOUNT NOT TO EXCEED \$225,000 TO THE SAN ANGELO CHAMBER OF COMMERCE FOR A PROJECT UNDER SECTION 505.103 PROJECTS RELATED TO PROMOTIONAL PURPOSES AND 502.051 PROJECTS RELATED TO BUSINESS RECRUITMENT OR DEVELOPMENT AUTHORIZED UNDER THE TYPE B CORPORATION IN LOCAL GOVERNMENT CODE CHAPTERS; 505 SUBCHAPTER D AND 502 SUBCHAPTER B.

WHEREAS, The voters of the City of San Angelo on November 2, 2010 approved the use of sales and use tax proceeds for the continued economic development projects authorized under Section 4B of the Act, including but not limited to, the development, promotion, creation, retention, or expansion of business enterprises that create or retain primary jobs, including suitable infrastructure, and

WHEREAS, COSADC is in need of professional economic development marketing and recruitment services to develop and implement an economic development marketing and recruitment program which will be conducive to ensuring the continued economic growth of the City of San Angelo ("Services"), and

WHEREAS, the San Angelo Chamber of Commerce agrees to provide Services as specifically described, and subject to the special terms and conditions set forth in a professional services agreement, and

WHEREAS, term of the Agreement shall commence on the effective date and shall be in effect for three (3) years, renewed annually in September with the approval of the COSADC Board and ending September 30, 2018; provided unless either COSADC or Provider terminates the Agreement in accordance with the agreement terms, and

WHEREAS, at least sixty (60) days prior to undertaking a project, a public notice of the specific project shall be published and at least one public hearing shall be held by the Development Corporation prior to expending funds on the Project in compliance with the requirements of the Development Corporation Act, Sections 505.159 and 505.160 of the Local Government Code and

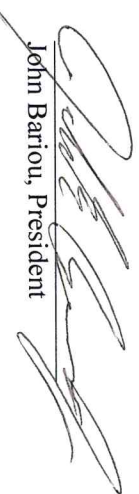
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

The City of San Angelo Development Corporation offers this Resolution authorizing the use of sales and use tax funds for promotional, and business recruitment services or development services ("Project"), payable to the San Angelo Chamber of Commerce, in an amount not to exceed \$225,000 per year; City Council ratification of the project, and authorizing the performance agreement with the San Angelo Chamber of Commerce as approved by the City Attorney, authorizing the COSADC Board President to execute said agreement; publication of notice of the Project; and holding public hearing(s) as required.

PASSED, APPROVED, and ADOPTED on this the 26th day of August, 2015.

CITY OF SAN ANGELO DEVELOPMENT
CORPORATION

By:


John Barion, President

ATTEST:

By:


Bryan Kendrick, Corporation Secretary

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT
CORPORATION AND PRINCIPAL LED LLC

This Agreement is entered into by and between the City of San Angelo Development Corporation, a State of Texas non-profit Type B development corporation (“COSADC”) and PRINCIPAL LED LLC, a Texas for profit limited liability company authorized to transact business in Texas (“Company”), and shall be effective from and after the 30th day of September, 2016 (the “Effective Date”).

RECITALS:

A. COSADC is a non-profit Type B development corporation created by the City of San Angelo pursuant to the Texas Development Corporation Act, Chapters 501 and 505 of the Texas Local Government Code (the “Act”), and is authorized by law to expend economic development sales and use tax proceeds for authorized projects, subject to approval of the City of San Angelo City Council. Such authorized projects include expenditures for the creation or retention of Primary Jobs (as defined at Section 501.002 of the Texas Local Government Code) and found by the board of directors to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities.

B. COSADC is authorized to provide direct incentives or make expenditures on behalf of a business enterprise under an authorized project pursuant to a performance Agreement with the business enterprise which provides, at a minimum, for a schedule of additional payroll to be created or retained and capital investment to be made as consideration for any direct incentives provided and specifies the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the Agreement.

C. Company is a business enterprise engaged in the assembly of LED lighting fixtures. Company has determined that additional capital improvements and employees will be required to meet increased demands for its services. (hereinafter the “Project”).

D. The board of directors of COSADC has determined that the Project and provision of direct incentives to Company as stated in this Agreement are in compliance with the requirements and purposes of the Act, COSADC Articles of Incorporation, and the COSADC Business Retention and Expansion Program (BREP) approved by City Council; and, that the Project and direct incentives serve the public purposes set forth in the Act.

F. Company is seeking direct incentives from COSADC for capital improvements and Primary Job creation and retention at its current location, 4541 N. Bentwood Drive, San Angelo (hereinafter ("Site")). COSADC agrees, subject to approval of the City of San Angelo City Council, to provide Company with certain incentives for capital investment and Primary Job creation and retention under the terms and conditions of this Agreement, in accordance with the provisions of law.

G. On December 6, 2016, the City Council of the City of San Angelo approved the recommendation of COSADC Board to approve negotiation and execution of a performance agreement with Company under the terms and conditions set forth herein for incentives and a rebate of development fees, the sum total of which shall not exceed THREE HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED ELEVEN AND NO/100 DOLLARS (\$317,811.00).

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COSADC and Company agree as follows:

TERMS

1. RECITALS: The foregoing recitals are true and correct and are incorporated into and made a part of this Agreement for all purposes.

2. TERM: This Agreement shall become enforceable upon its Effective Date as first hereinabove provided. This Agreement shall automatically terminate three years after payment by COSADC of the

last job creation incentive, unless earlier terminated in accordance with its terms, provided that all provisions of this Agreement which must survive in order to give effect to their meaning will survive termination or expiration of this Agreement.

3. COMPANY PERFORMANCE REQUIREMENTS:

A. Company shall timely meet, comply with and maintain each of the Company performance requirements specified in this Agreement at its Site, which performance requirements are conditions precedent to the obligation of COSADC to provide and Company to retain the direct incentives provided for under this Agreement, including the following:

B. Company shall make the entire Minimum Threshold Project Investment agreed to in Section 4. “Minimum Project Threshold Investment”, from and after the Effective Date, and on or before the 31st day of December, 2017. Said Minimum Threshold Investment shall be a condition precedent to Company’s entitlement to receive or to retain any direct incentive payments, rebates, credits or other benefits from COSADC under this Agreement

C. Company shall provide COSADC with copies of its rendition statements and personal property tax reports delivered to Tom Green County Chief Appraiser for each tax year commencing with 2016, and shall timely pay any ad valorem commercial real and personal property taxes payable for each tax year relating to its Threshold Investment prior to claiming reimbursement under this Agreement.

D. On or before January 31, 2018, Company shall make the certification to COSADC required under this agreement (in substantially the form of **Exhibit “D” Request for Incentive Payment**) to establish timely compliance with the Minimum Project Threshold Investment, including but not limited to equipment purchase receipts, capital improvement receipts and any other receipts or business records verifying under generally accepted accounting and audit principals that the Minimum Project Threshold Investment required has been met to the satisfaction of COSADC.

E. Company shall secure all plan reviews, permits and inspections applicable under city ordinance for all capital improvements at its Site, which improvements shall be made in compliance with all applicable City codes and regulations.

F. Company shall provide a preference to the extent practicable for the purchase of construction materials and equipment for the Project from businesses that maintain establishments located in Tom Green County.

G. From the Effective Date of this Agreement to December 31, 2020, Company shall create the equivalent of a minimum of fifteen (15) new jobs, at its current site; each job created having a gross annual pay excluding benefits of at least thirty five thousand dollars (\$35,000) (hereinafter “FTE’s”) Company shall retain each FTE under the terms and for the period required under Section 5. “Job Creation and Retention” of this Agreement.

H. Company shall annually, on or before March 31st of each year commencing March 31 2017, comply with the annual certification and reporting requirement to COSADC under this Agreement establishing FTE job creation and retention.

I. Company shall endeavor to take advantage of one or more job training programs available through the Concho Valley Workforce Development Board to the extent practicable and provided that such programs offer training applicable to Company jobs. Company shall present documentary evidence satisfactory to COSADC from Concho Valley Workforce Development Board or sponsored program entity establishing an employee’s successful completion of the job training program.

J. Within ten days of written notice and demand for payment, Company shall promptly reimburse COSADC for any incentive payments, rebates, credits or benefits received if at the time of such incentive payment, rebate credit or benefit Company was in default under this Agreement or was not otherwise entitled to such incentive under terms of this Agreement, or is not entitled to retain such incentive under the terms of this Agreement.

4. MINIMUM PROJECT THRESHOLD INVESTMENT:

A. As a Company performance requirement and condition precedent to COSADC's obligation to provide incentives under this Agreement, Company shall complete a minimum Threshold Project Investment in capital improvements and/or business tangible personal property at the Site during the period from the Effective Date of this Agreement to December 31st, 2017, of at least NINE HUNDRED TWENTY THOUSAND DOLLARS (\$ 920,000.) to be reflected on Company's ad valorem rendition statements and personal property tax reports, but estimated in good faith by Company to be the Project investment set forth in **Exhibit "A"**, attached hereto, and made a part hereof for all purposes.

B. Together with any request made by Company for Development Fee and Sales & Use Tax rebates, Company shall provide COSADC with records sufficient to verify under generally accepted accounting and audit principals the facts certified therein.

C. Within ten (10) days of the effective date of this Agreement Company shall provide to COSADC certified copies of the rendition statements and personal property tax reports delivered to the Tom Green County Chief Appraiser pursuant to V.T.C.A. Tax Code § 22.01 for the tax year 2016. Company shall provide copies of its rendition statements annually thereafter on or before March 31st of each subsequent tax year during the term of this Agreement.

5. JOB CREATION AND RETENTION:

A. Attached hereto as **Exhibit "E"**, and made a part hereof for all purposes, is Company's census of 51 existing full-time jobs, employed at the current Company Site on the Effective Date (hereinafter "Core Jobs"). Company shall continuously retain all of the Core Jobs through December 31, 2019, and for three consecutive years following the last job creation incentive payment made pursuant to this Agreement. Company shall annually report a summary of Core Job retention in a form substantially the same as **Exhibit "E-1"** attached hereto. In addition to continuous maintenance of the Core Jobs, Company shall create a minimum of fifteen (15) new

FTE's as defined herein), but not to exceed fifty new FTE's for purposes of incentive grants, during the time period from the Effective Date of this Agreement to December 31, 2020 .

B. New FTE's for any annual year shall be new full-time job positions created in addition to the Core Jobs, and having a minimum average annual Base Wage (gross pay excluding benefits) of \$35,000 per FTE. The minimum average annual Base Wage for newly created jobs shall be utilized to calculate the number of new FTE positions created and establish the equivalent number of FTE's created for which incentives may be payable. The total annual gross payroll excluding benefits for new full-time jobs (excluding Core jobs) shall be divided by the \$35,000 minimum annual Average Base Wage required to calculate the number of FTE's created or retained for which incentives may be payable. Notwithstanding the foregoing, no job exceeding an annual gross pay of \$150,000 shall be included in gross annual pay for purposes of calculating Average Base Wage level and the number of newly created FTE's.

C. For example: if Company creates nine new full-time jobs during 2016, seven of which have an annual base wage of \$50,000 each and two of which have an annual Base Wage of \$35,000 each, the FTE job creation would be calculated to be the sum of annual base wages for the nine newly created jobs divided by the required average annual Base Wage of \$40,000, for a total of 12 FTE's created in 2016 for incentive purposes $[(7 \times \$50,000) + (2 \times \$35,000) \div \$40,000 = 12]$, rounded to the nearest lower whole number = 12 FTE's. Company would then need to retain in addition to the 51 Core Jobs, 12 or more full time jobs having a total average annual Base Wage combined of at least \$420,000, for three consecutive annual years after December 31st of the year in which incentives were paid for creation of 12 FTE's.

D. A condition precedent to Company's right to receive or retain any job creation incentive under this Agreement is that Company retain jobs that are the equivalent of every new FTE for which it receives a job creation incentive payment for a minimum of three consecutive years from

and after December 31st of the year for which the job creation incentive is paid and that the sum total of full time jobs created be at least the equivalent of 15 FTE's, in addition to continuous retention during the full term of this Agreement of the 51 Core Jobs listed on the Company census for the Effective Date.

E. The new jobs shall be filled by individuals who are not current employees of Company at its San Angelo location at the time of job creation. New employees shall first be deemed to replace any vacant Core Jobs, before any new employee Base Wage is included in calculating the number of FTE's created or retained by Company.

F. Company shall certify to COSADC compliance with its job creation and retention and base wage level commitments annually as hereinafter provided for jobs created for the period from the Effective Date through December 31, 2020. An Affidavit of Compliance shall be executed by a duly authorized representative of Company, accompanied with required documentation verifying the facts stated, in substantially the form of "Affidavit of Compliance", attached hereto as "**Exhibit "C"**". The Affidavit of Compliance shall include tables identified as **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention Summary"** by year, in substantially the attached forms. Such annual certifications shall continue for three (3) consecutive years after the end of the calendar year for which the last direct incentive for the FTE of which the job constitutes a part shall have been paid.

i. The first required reporting period for certification of job creation and retention compliance under this Agreement shall be for the period October 1, 2016 through December 31, 2016. No later than March 31, 2017, Company shall separately certify with Affidavit of Compliance substantially in the form of **Exhibit "C"** , **Exhibit "E-1" "Core Job Retention Summary" and Exhibit "C-1" "Job Creation and Retention Summary"** , under penalty of perjury, for the period reported the number of jobs retained, terminated and created, and annual Base Wages applicable for calculating equivalent FTE's for which Company applies for or has been paid incentives.

- ii. No later than March 31st of each year after 2017, for which certification of compliance for job creation and retention is required under this Agreement, Company shall certify with Affidavits of Compliance substantially in the form of **Exhibit “C”** , **Exhibit “E-1” “Core Job Retention Summary”** and **Exhibit “C-1” “Job Creation and Retention Summary”** , under penalty of perjury, for the period reported the number of jobs retained, terminated and created, and annual Base Wages applicable for calculating equivalent FTE’s for which Company applies for or has been paid incentives.
- iii. The annual reporting required under this Section 5., shall consist of a fully executed Affidavit of Compliance in substantially the form of **Exhibit “C”**, **Exhibit “E-1” “Core Job Retention Summary”** and **Exhibit “C-1” “Job Creation and Retention Summary”** , accompanied with supporting documentation sufficient to verify under generally accepted accounting and audit principals the facts certified, which shall include Texas Workforce Commission “Employer’s Quarterly Report” (FORM C-4 03/06) as submitted to Texas Workforce Commission, and other payroll documentation as may be reasonably required by COSADC.

6. COSADC INCENTIVES AND INCENTIVE CAPS: Subject to Company complying with the performance requirements specified under this Agreement, Company shall become eligible to receive up to the but not exceeding the following incentives described under this Section 6, pursuant to the schedule of incentives by type and incentive caps as set forth in **Exhibit “B”** attached hereto and made a part hereof for all purposes. In no event, notwithstanding anything to the contrary in this Agreement, shall the cumulative sum of all incentives payable or credited under this Agreement exceed the maximum sum of THREE HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED ELEVEN AND NO/100 DOLLARS (\$317,811.00).

Type of Incentive and Incentive Cap:

A. Waivers (credits) or rebates of City development fees for the Project Site, including fees relating to permits, plan reviews and inspections, not to exceed FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.);

B. Annual Tax Grants for the tax years indicated below in the form of rebates of a percentage on a sliding scale of City ad valorem taxes paid by Company assessed for value of capital improvements and business tangible personal property made at the Site up to, but not exceeding, the Minimum Project Threshold Investment of NINE HUNDRED TWENTY THOUSAND AND NO 100 DOLLARS (\$920,000.) for a sum total of Annual Tax Grants not to exceed EIGHT THOUSAND TWO HUNDRED ELEVEN AND NO/100 DOLLARS (\$8,211)^{1*}:

Tax Year	Annual Grant Percentage	Maximum Tax Rebate
2017	60%	\$ 4,284
2018	35%	\$ 2,499
2019	10%	\$ 714
2020	10%	\$ 714
Total		\$ 8,211

¹ * Subject to written amendment executed by each of the parties providing for rebates of ad valorem taxes assessed on capital improvements or equipment rendered and exceeding \$1,700,000 in additional assessed value for ad valorem tax purposes.

C. Rebates for a portion of City of San Angelo sales and use taxes paid by Company for purchase of construction materials and equipment for the Project from businesses that maintain physical establishments located in Tom Green County, Texas (“Local Vendors”). The cumulative sum of this rebate incentive shall not exceed FOUR THOUSAND SIX HUNDRED AND NO/100 DOLLARS (\$4,600.00).

D. Individual incentives in a sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) per job created that are the equivalent of an FTE as defined herein, from the Effective Date through December 31, 2020, at the Project Site, subject to condition that Company create and retain jobs that are at least the equivalent of 15 FTE’s as herein provided and subject to Company’s reimbursement obligation for any FTE not retained for a period of three years from and after December 31st of the year for which the FTE individual incentive was paid. In no event shall the cumulative sum of the individual incentives for job creation and retention exceed TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00).

E. Individual incentives in the sum of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) for each employee having a job at the Site who successfully completes one or more job training programs through the Concho Valley Workforce Development Board, applicable to a Company job at the Site. The incentive shall be payable to Company upon presentation of an Affidavit of Compliance accompanied with documentary evidence satisfactory to COSADC of employee’s successful completion of the job training program. In no event shall the cumulative sum of the individual incentives for employees successfully completing such training programs exceed FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00).

7. PAYMENT: A determination of Company eligibility for payment of direct incentives shall be made by COSADC within sixty (60) days after receipt by COSADC of a written request for payment accompanied with Compliance Affidavits and documentation sufficient to verify under generally accepted accounting and audit principals the facts certified in accordance with provisions of this Agreement.

A. Company and COSADC acknowledge that COSADC may reasonably require in its discretion, additional information and documentation to facilitate COSADC in making an expeditious determination of eligibility for payment of direct incentives. COSADC, in cooperation with Company, shall calculate the amount of any direct incentive payable under this Agreement as provided in the Agreement and attached Exhibits.

B. The amount of direct incentives which may be payable to Company shall be calculated on the rates and schedules set out in this Agreement and attached Exhibits subject to the limitations set forth therein and further provided that in no event shall the cumulative total sum of direct incentives payable by COSADC under this Agreement exceed the Incentive Caps provided for at Section 6 herein.

C. COSADC shall pay to Company the economic development incentive provided for under this Agreement within sixty (60) days following COSADC's determination of the eligibility of Company for the direct incentive payment and calculation of the sum due.

D. Tender of payment of any incentive due under this Agreement is conditioned upon COSADC's receipt of Company's written concurrence that: the sum tendered for the type of incentive is the full amount due Company for the performance requirements Company has met up to that time; that the incentive payment is made subject to repayment obligations of Company under the terms of this Agreement; that Company agrees COSADC is in full compliance with its obligations under this Agreement on date the payment is tendered and accepted; and, releasing COSADC from any future claim of Company, known or unknown, relating to COSADC's obligations under the Agreement for the type of incentive payment being tendered up to the date payment is accepted.

8. RETENTION OF RECORDS: Company shall maintain, in a manner that conforms to this Agreement, the fiscal records and supporting documentation for all direct incentives, if any, provided to Company under this Agreement for the greater of three (3) years from the end of the term of this Agreement, or such other period required by applicable law or regulation.

9. COMPLIANCE AUDIT AND INSPECTION RIGHTS: Upon reasonable prior written notice to Company, and without costs charged by Company to COSADC, Company shall allow COSADC access to and the right to examine and inspect any and all:

A. Payroll and employment accounting records of Company relating to the creation, retention and enhancement of FTE positions and certifications by Company of the information included in each affidavit submitted by Company under this Agreement, plus any other records of Company that may be reasonably related to verification of compliance with all performance requirements under this Agreement; and

B. Books, accounts, records, and audit reports with supporting documentation belonging to, maintained or kept at the direction of Company pertaining to performance of this Agreement.

10. FORFEITURE OF INCENTIVE PAYMENTS: If established by documentation of the parties relating to performance of this Agreement or by an audit conducted by COSADC under Section 9, “Compliance Audit and Inspection Rights”, COSADC may determine that Company has failed to meet or maintain a performance requirement entitling Company to receive or retain incentive payments or credits (fee waivers) specified in this Agreement, in which event Company shall forfeit such incentive payment or credit and shall repay to COSADC the incentive payments or credits received in accordance with the repayment terms set forth under Section 11. “Repayment Terms”.

11. REPAYMENT TERMS: Company shall comply with the following terms for repayment of forfeited incentive payments or credits:

A. Company shall repay one hundred percent (100%) of all incentive payments received pursuant to this Agreement (under the BREP Program outlined in **Exhibit B, Table B-2** Summary of Incentives) when grounds for forfeiture occur on or before March 31, 2017.

B. Company shall repay sixty-six percent (66%) of incentive payment received under this Agreement (the BREP Program and incentives outlined in **Exhibit B, Table B-2** Summary of Incentives) when grounds forfeiture occur after March 31, 2017 and before March 31, 2018.

C. Company shall repay one thirty-three percent (33%) of a forfeited incentive payment received under this Agreement (the BREP Program and incentives outlined in **Exhibit “B”, Table B-2** Summary of Incentives) when grounds for forfeiture occur on or after March 31, 2018.

E. COSADC shall provide Company written notice by certified mail return receipt requested of the sum of any incentive payment or credit determined to be forfeited and the applicable percentage of the incentive payment which must be reimbursed, which sum shall be due and payable thirty (30) calendar days after date of the notice.

F. Any incentive payment or credit deemed forfeited not paid when due after notice as herein provided shall accrue interest at the lesser of ten percent (10%) per annum or the maximum interest rate allowed by law until the forfeited sum and accrued interest thereon are paid in full.

G. Failure of Company to timely pay the sum of any incentive payment or credit determined to be forfeited as herein provided, after notice, shall constitute a default by Company in addition to any other default, and shall entitle COSADC to terminate this Agreement and exercise all remedies available to it under this Agreement, at law, or in equity.

12. OWNERSHIP OF DOCUMENTS: Company understands and agrees that any information, document, report or any other material whatsoever provided to COSADC by Company, or otherwise obtained or prepared by Company as a result of this Agreement is and shall at all times remain the property of COSADC. Company agrees not to use any such information, document, report or material for any purpose whatsoever other than performance under this agreement without first securing the written consent of COSADC, which may be withheld or conditioned by COSADC in its sole discretion.

13. AWARD OF AGREEMENT: Company represents and warrants to COSADC that Company has not employed or retained any person or entity employed by COSADC to solicit or secure this

Agreement and that Company has not offered to pay, paid, or agreed to pay any such person or entity any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with, the award of this Agreement.

14. PUBLIC RECORDS AND CONFIDENTIALITY: Company understands that COSADC is subject to the Texas Public Information Act, Texas Government Code, Chapter 552 (TPIA), and that the public shall have access, at all reasonable times, to information pertaining to COSADC contracts, subject to the provisions of law. Company hereby consents to access by COSADC and the public to all information and documents subject to disclosure under applicable law. The confidentiality of Company's records, including Company information related to COSADC's economic development considerations and direct incentives provided herein, will be maintained in accordance with and subject to all applicable laws, including the Texas Public Information Act. COSADC will, as required by the Texas Public Information Act, notify Company if a request relating to such proprietary information is received thereby permitting Company opportunity to protect such information from disclosure. Company acknowledges that the TPIA provides exceptions from the general requirement of disclosure of public information that may apply to Company trade secret, proprietary and confidential commercial financial information, and that Company will need to assert the interest of Company as provided under TPIA and at law for purposes of nondisclosure.

15. REPRESENTATIONS AND WARRANTIES OF COMPANY: Company represents and warrants to COSADC that as of the date hereof: (i) Company is a Texas corporation in good standing to transact business in the State of Texas, (ii) Company is not delinquent in the payment of any sums due the City of San Angelo, including but not limited to permit fees and occupational licenses, nor in the performance of any obligation to the City of San Angelo or COSADC, (iii) execution of this Agreement has been duly authorized by the governing body of Company and this Agreement is not in contravention of Company's regulations, or any Agreement or instrument to which Company is a party or by which it may be bound as of the date hereof, (iv) no litigation or governmental proceeding is pending, or, to the knowledge of any of Company's officers, threatened against or affecting Company, which may result in a

material adverse change in Company's business, assets, liabilities, or operations sufficient to compromise Company as a viable, for profit going concern capable of performing pursuant to this Agreement, (v) no written certificate or written statement herewith or heretofore delivered by Company to COSADC in connection herewith, or in connection with any transaction contemplated hereby, to the knowledge of any of Company's officers, contains any untrue statement of a material fact or fails to directly disclose any material fact necessary to keep the statements contained therein from being misleading, and (vi) during the term of this Agreement, Company will not knowingly employ any undocumented workers in violation of Texas Government Code, Chapter 2264.

16. COMPLIANCE WITH PROGRAM REQUIREMENTS AND FEDERAL, STATE AND

LOCAL LAWS: Company shall comply with all requirements applicable under COSADC Incentive Programs, including the Business Retention and Expansion Program (BREP), the provisions of which are adopted as a part of this Agreement for all purposes as if fully set forth herein. Company acknowledges that its officials have reviewed and are familiar with the terms and regulations applicable under the BREP.

17. INDEMNIFICATION: COMPANY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS COSADC AND ITS BOARD MEMBERS, OFFICIALS, EMPLOYEES AND AGENTS, (COLLECTIVELY REFERRED TO AS "INDEMNITEES") AND EACH OF THEM FROM AND AGAINST ALL LOSS, COSTS, PENALTIES, FINES, DAMAGES, CLAIMS, EXPENSES (INCLUDING ATTORNEY'S FEES) OR LIABILITIES (COLLECTIVELY REFERRED TO AS "LIABILITIES") ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS OR EMPLOYEES OF COMPANY OR COSADC BY REASON OF ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR DESTRUCTION OR LOSS OF ANY PROPERTY ARISING OUT OF, RESULTING FROM, OR IN CONNECTION WITH (I) THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT WHICH IS OR IS ALLEGED TO BE DIRECTLY OR INDIRECTLY CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF COMPANY OR ITS EMPLOYEES,

AGENTS OR SUB-CONTRACTORS (COLLECTIVELY REFERRED TO AS “COMPANY”), REGARDLESS OF WHETHER IT IS, OR IS ALLEGED TO BE, CAUSED IN WHOLE OR PART BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE OF THE INDEMNITEES, OR ANY OF THEM OR (II) THE FAILURE OF COMPANY TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT OR THE FAILURE OF COMPANY TO CONFORM TO STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY, FEDERAL OR STATE, IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT OR SUSTAINED IN OR UPON THE PREMISES, OR AS A RESULT OF ANYTHING CLAIMED TO BE DONE OR ADMITTED TO BE DONE BY COMPANY HEREUNDER. COMPANY EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES, OR ANY OF THEM, FROM AND AGAINST ALL LIABILITIES WHICH MAY BE ASSERTED BY AN EMPLOYEE OR FORMER EMPLOYEE OF COMPANY, OR ANY OF ITS SUB-CONTRACTORS, AS PROVIDED ABOVE, FOR WHICH COMPANY’S LIABILITY TO SUCH EMPLOYEE OR FORMER EMPLOYEE WOULD OTHERWISE BE LIMITED TO PAYMENTS UNDER STATE WORKERS’ COMPENSATION OR SIMILAR LAWS. THIS INDEMNIFICATION SHALL SURVIVE THE TERM OF THIS AGREEMENT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE COMPANY TO INDEMNIFY, DEFEND, OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY’S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

18. NONDISCRIMINATION: Company represents and warrants to COSADC that Company does not and will not engage in discriminatory practices and that there shall be no discrimination in connection with Company’s performance under this Agreement on account of race, color, sex, religion, age, handicap, marital status or national origin. Company further covenants that no otherwise entitled individual shall, solely by reason of race, color, sex, religion, age, handicap, marital status or national origin, be excluded from participation in, be denied employment or other services, or be subject to discrimination under any provision of this Agreement.

19. INDEPENDENT CONTRACTOR: COSADC and Company acknowledge that Company is an independent contractor, and that no term or provision hereof or act of Company in performance of this Agreement shall be construed as making Company an agent or employee of COSADC. All officers and employees of Company shall be solely responsible to Company, and COSADC shall not have any authority, responsibility, or liability with respect thereto.

20. NO JOINT VENTURE: It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. COSADC, its past and future officers, employees and agents do not assume responsibilities or liabilities of any third party in connection with Company's operations or employees.

21. NO THIRD PARTY BENEFICIARIES: This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

22. COSADC'S TERMINATION RIGHTS:

A. COSADC shall have the right to terminate this Agreement, by giving Company at least five (5) business days prior written notice, upon discontinuance or termination of the incentive program, unavailability of funds for providing incentive under the Project, or if COSADC determines, in its sole discretion, that continuation of the Project is no longer in the public interest.

B. COSADC shall have the right to terminate this Agreement, without notice or liability to Company, upon the occurrence of an event of default in the performance of any Company performance requirement under this Agreement. In such event, COSADC shall not be obligated to pay any incentives or reimbursements to Company and Company shall repay COSADC all direct incentives and reimbursements, plus all fee waivers, provided to Company while Company was in default under this Agreement in accordance with Section 11 "Repayment Terms" of this Agreement. It is expressly agreed that this Agreement constitutes a single transaction, although, incentive payments hereunder are divided into multiple installments as earned. A failure of Company to perform any obligation it has under this Agreement may constitute a breach of the entire Agreement and terminate any further commitment by COSADC.

C. The dissolution or termination of Company's existence as a going business or concern, Company's insolvency, appointment of receiver for Company's assets, any assignment of all or substantially all of the assets for the benefit of creditor's of Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.

23. ASSIGNMENT: This Agreement shall not be assigned by Company, in whole or in part, without the prior written consent of COSADC, which consent may be withheld or conditioned, in the sole discretion of the COSADC board of directors, subject to approval of the City Council for the City of San Angelo.

24. NOTICES: All notices required under this Agreement shall be in writing and shall be given by hand-delivery or by certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the third day after being deposited with the U.S. Mail or the date of actual receipt, whichever is earlier.

TO COMPANY:

Principal LED, LLC
Attn: J. Bryan Vincent, Managing Partner
4541 N. Bentwood
San Angelo, Texas 76904

TO COSADC:

Director of Economic Development
69 N. Chadbourne St.
San Angelo, TX 76903

25. CONTINGENCY CLAUSE: Funding for this Agreement is contingent on the availability of funds and continued authorization for program activities and this Agreement is subject to amendment due to lack of funds, reduction of funds and/or change in regulations, upon thirty (30) days written notice thereof to Company; or in the alternative at the election of COSADC, termination as herein provided.

26. MISCELLANEOUS PROVISIONS:

A. This Agreement shall be construed and enforced according to the laws of the State of Texas. The parties acknowledge that this Agreement can be performed in Tom Green County, Texas, and that venue for the resolution of any dispute between the parties relating to this Agreement shall be in Tom Green County, Texas.

B. Title and paragraph headings are for convenient reference and are not a part of this Agreement.

C. The meaning of capitalized terms shall be as defined under the Act (Chapters 501 and 505 of the Texas Local Government Code), except as specifically provided otherwise under this Agreement.

C. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

D. Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Texas or the City of San Angelo, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such laws, or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.

E. This Agreement constitutes the sole and entire Agreement between the parties hereto relating to the subject matter of the Agreement. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

F. Any delay or failure in the performance by either Party hereunder shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force

Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by or under the control of the Party claiming Force Majeure, including acts of God, fires, floods, explosions, riots, wars, hurricane, sabotage terrorism, vandalism. accident, restraint of government, governmental acts, injunctions, labor strikes, other than those of Company or its suppliers, that prevent a Party from performing, and other like events that are beyond the reasonable anticipation and control of the Party affected thereby, despite such Party's reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences, and which events or the effects thereof are not attributable to a Party's failure to perform its obligations under this Agreement.

G. This Agreement shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors or permitted assigns.

H. In the event any legal action or proceeding is commenced between COSADC and Company to enforce provisions of this Agreement or to recover damages for breach, the prevailing party in such legal action shall be entitled to recover its costs and reasonable attorney's fees and expenses incurred by reason of such action, unless prohibited by law.

I. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

J. Failure by either party on one or more occasions to exercise one or more of its rights under this Agreement shall not be construed as waiver of such right or rights, and rights granted hereunder are in addition to those available under law and equity.

K. The provisions of this Agreement, which by their nature extend beyond the expiration or termination of the Agreement, will survive expiration or termination of the Agreement.

27. EXHIBITS: The following Exhibits "A", "B", "C" and "D" are attached and incorporated herein by reference for all purposes.

Exhibit “A”: Capital Investment Schedule

Exhibit “B”: Schedule of Incentives

Exhibit “C”: Affidavit of Compliance for Job Creation Incentives

Exhibit “C-1”: Job Creation and Retention Summaries

Exhibit “D”: Request for Incentive Payment

Exhibit “E”: Census Listing of Current Positions on beginning of 4th Quarter 2016,
commencing October 1, 2016

Exhibit “E-1”: Core Job Retention Summary

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officials thereunto duly authorized, this the day and year above written.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

ATTEST:

Bryan Kendrick, Secretary

Tommy Hiebert, President

PRINCIPAL LED, LLC

Blank Vincent, Managing Member

APPROVED AS TO CONTENT:

APPROVED AS TO FORM

Roland Peña, Development Services
Director

Dan T. Saluri Deputy City Attorney

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT
CORPORATION AND PRINCIPAL LED LLC

Exhibit “A”

Estimated Capital Investment and Business Personal Property Schedule

From and after the Effective Date of the Agreement, Company shall make capital investment in the form of building improvements and equipment at the Site of at least \$920,000, to be completed no later than December 31, 2017. Company agrees that the rendition of Company’s capital improvements and equipment investments shall be determined by out of pocket costs actually paid by Company upon completion of the investments, verified with copies of Company business records acceptable to COSADC under generally accepted accounting and audit principals. Such business records shall include the company’s annual capital improvement and business personal property tax rendition statements, paid receipts for costs incurred and other records reasonably necessary to verify those investments satisfactory to COSADC.

Following is a schedule of estimated building improvement and equipment investment costs:

Year	Building	Equipment	Total Cost
2017	\$800,000	\$120,000	\$920,000

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT
CORPORATION AND PRINCIPAL LED LLC

Exhibit “B”

Schedule of Incentives

Development Fee Rebate Incentive:

Development Fees for Project Site, including fees relating to permits, plan reviews, inspections, and other related fees payable to the City shall be rebated upon submission by Company to COSADC of records establishing under generally accepted accounting and audit principals the relation of each expense to the Project Site and payment by Company. The sum total of rebates payable under this incentive shall in no event exceed **\$ 5,000.00**.

Annual Tax Grants:

Annual tax grants for tax years 2018 through 2021, in the form of a rebate of a percentage on a sliding scale of City ad valorem taxes paid by Company assessed for value of capital improvements and business tangible personal property made at the Site up to the Minimum Project Threshold Investment, for a total sum of all annual tax grants not to exceed **\$8,211**.

Sales and Use Tax Rebate Incentive:

Rebates for City portion of sales taxes paid by Company for purchase of construction materials and equipment for the Project from businesses that maintain physical establishments located in Tom Green County, Texas (“Local Vendors”). This incentive shall not be payable until Company presents documentation required by COSADC for verification that Company has expended at least ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) from Local Vendors for Project capital improvements or equipment at the Site. The cumulative sum of this incentive shall not exceed FOUR THOUSAND SIX HUNDRED AND NO/100 DOLLARS (**\$4,600**).

FTE Primary Job Creation Financial Assistance Incentive:

Individual incentives in a sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) per equivalent FTE created as defined in the Agreement from the day after the Effective Date through December 31, 2021, for the Project, each new FTE being made up of a job or jobs filled by a new full time employee, subject to Company’s reimbursement obligation for any such job or jobs making up the FTE not retained for a period of three years from and after December 31st of the year for which the FTE individual incentive was paid. The cumulative sum of the individual incentives for FTE creation and retention shall not exceed TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (**\$250,000.00**).

Employee Training Program Financial Assistance Incentive

Individual incentives in the sum of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) for each full time employee successfully completing one or more job training program applicable to a

Company job available through the Concho Valley Workforce Development Board, payable to Company upon presentation of documentary evidence satisfactory to COSADC under generally accepted accounting and audit principals of employee's successful completion of the job training program. The cumulative sum of the individual incentives for employees' successful completion of such training programs shall not exceed FIFTY THOUSAND AND NO/100 DOLLARS **(\$50,000.00)**.

Table B-2 Summary of Incentives

Type of Incentive	Maximum Amount of Assistance
Development Fee Rebates	\$ 5,000.00
Annual Tax Grants	\$ \$8,211.00
Sales & Use Tax	\$ \$4,600.00
Job Creation Grant	\$250,000.00
Job Training Grant	\$ 50,000.00
Total	\$317,811.00

Notwithstanding anything to the contrary in this Agreement, the total of all incentive payments and reimbursements that may become payable to Company by COSADC under this Economic Development Performance Agreement shall not exceed \$317,811.00.

4. “ I hereby certify and warrant that during the time period from _____, 2016 through _____, 20____, (hereinafter the Report Period), the information provided on **Exhibit “E-1” Core Job Retention Summary** and on **Exhibit “C-1” Job Creation and Retention Summary** attached to this Affidavit and made a part hereof, are true and correct.

5. Attached hereto and made a part of this affidavit are true and correct copies of Company records created and maintained by Company under generally accepted accounting and audit principals required under the Agreement which verify the facts herein certified to by me. The records include IRS Form 941 and Employers Quarterly Federal Texas Workforce Commission “Employer’s Quarterly Report” (FORM C-4 03/06) for all quarters of the reporting period, payroll reports approved by COSADC Economic Development staff, and other Company records reasonably required by COSADC to verify the information stated in this Affidavit and included in the attached Exhibits.

Signature _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____ 20__ by _____, proven to me on the basis of satisfactory evidence to be the person(s) who appeared before me, in his/her capacity as _____ of PRINCIPAL LED, LLC.

Notary Public, State of Texas

100

1999

2017 JOB CREATION AND RETENTION SUMMARY

Due by March 31 2018

New Jobs Created 2017	Total Annual Base Pay 2017 New Jobs	Equivalent New FTE's 2017	Created FTE's Retained From Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2017 Total Equivalent FTE's
2016	\$			\$	\$	
2017	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
Totals						

2018 JOB CREATION AND RETENTION SUMMARY

Due by March 31 2019

New Jobs Created 2018	Total Annual Base Pay 2018 New Jobs	Equivalent New FTE's 2018	Created FTE's Retained From Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2018 Total Equivalent FTE's
2016	\$			\$	\$	
2017	\$			\$	\$	
2018	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
Totals						

2021 JOB RETENTION SUMMARY

Due by March 31 2022

Created FTE's Retained From Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2021 Total Equivalent FTE's						
2017	\$			\$		\$			
2018	\$			\$		\$			
2019	\$			\$		\$			
2020	\$			\$		\$			
2021	\$			\$		\$			
	\$			\$		\$			
	\$			\$		\$			
	\$			\$		\$			
Totals									

2022 JOB RETENTION SUMMARY

Due by March 31 2023

Created FTE's Retained From Year Indicated	Total Annual Base Pay Retained FTE's	Total Annual Base Pay New & Retained	2022 Total Equivalent FTE's						
	\$			\$		\$			
	\$			\$		\$			
2018	\$			\$		\$			
2019	\$			\$		\$			
2020	\$			\$		\$			
2021	\$			\$		\$			
2022	\$			\$		\$			
	\$			\$		\$			
Totals									

2023 JOB CREATION AND RETENTION SUMMARY

	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
2019	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
	\$			\$	\$	
Totals						

** Last FTE job creation is 2019 paid in 2020.

3. The following incentive payments in the sums indicated are due Principal LED LLC. under the terms of the Agreement for the following items:

Incentive	Amount
Rebates for Development Fee Waiver*	\$.00
Annual Tax Grant**	\$.00
Sale & Use Tax Rebate*	\$.00
Job Creation/Retention Incentives***	\$.00
Job Training Grants****	\$.00
Total Request	\$.00

4. Attached hereto and made a part of this affidavit in support of this request for incentive payments in the sums indicated above are true and correct copies of Company records created and maintained by Company under generally accepted accounting and audit principals required under the Agreement which verify the facts herein certified to by me. The records include IRS Form 941 and Employers Quarterly Federal Texas Workforce Commission “Employer’s Quarterly Report” (FORM C-4 03/06) for all quarters of the reporting period, payroll reports approved by COSADC Economic Development staff, and other Company records reasonably required by COSADC to verify the information stated in this Affidavit.

5. Subject to payment of the foregoing requested sums for incentive payments above set forth, the undersigned hereby certifies on behalf of Company that there is no existing default or unfulfilled obligations on the part of COSADC in any of the terms and conditions of the Agreement, and no event has occurred or condition exists which, with the passing of time or giving of notice or both, would constitute an event of default by COSADC under the Agreement.

6. The undersigned further certifies on behalf of Company that Company claims no defense against COSADC, and except as to the foregoing request, there is no payment due, incentive due, offset, rebate,

adjustment, concession, abatement, or other sum due or payable or other performance due by COSADC under the terms of the Agreement.

7. The undersigned acknowledges on behalf of Company that the Agreement includes grounds for forfeiture of incentive payments and that the foregoing request for incentive payments will be subject to possible forfeiture and repayment obligations as provided for in the Agreement.

Signature _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____ 20__ by _____, proven to me on the basis of satisfactory evidence to be the person(s) who appeared before me, in his/her capacity as _____ of PRINCIPAL LED, LLC.

Notary Public, State of Texas

* Attach receipts for and proof of payment in full for fees, sales tax or construction work as applicable.

** Attach Company's ad valorem rendition statements and personal property tax reports along with applicable year assessment notice and proof of payment.

*** Attach Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) for all quarters of the reporting period; IRS Form 941 Employers Quarterly Federal Tax Returns for the year or other payroll reports as approved by Economic Development staff.

**** Attach proof of enrollment and satisfactory completion for each employee participant.

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BY AND BETWEEN CITY OF SAN ANGELO DEVELOPMENT
CORPORATION AND PRINCIPAL LED LLC

EXHIBIT “E”

**LISTING OF COMPANY’S CORE JOBS PLUS CURRENT FULL TIME POSITIONS
(FTE’s) AS OF BEGINNING OF 4TH QUARTER OF 2016**

Employee ID	Job Title	Job No.
XXX-XX-		1
XXX-XX-		2
XXX-XX-		3
XXX-XX-		4
XXX-XX-		5
XXX-XX-		6
XXX-XX-		7
XXX-XX-		8
XXX-XX-		9
XXX-XX-		10
XXX-XX-		11
XXX-XX-		12
XXX-XX-		13
XXX-XX-		14
XXX-XX-		15
XXX-XX-		16
XXX-XX-		17
XXX-XX-		18
XXX-XX-		19
XXX-XX-		2
XXX-XX-		21
XXX-XX-		22
XXX-XX-		23
XXX-XX-		24
XXX-XX-		25
XXX-XX-		26
XXX-XX-		27
XXX-XX-		28
XXX-XX-		29
XXX-XX-		30
XXX-XX-		31
XXX-XX-		32
XXX-XX-		33

[illegible]

The above listed positions will be utilized as the basis for calculating job creation and losses. Only the position and number will be utilized not specific employee identification.

EXHIBIT “E-1”

PRINCIPAL LED, LLC

CORE JOB RETENTION SUMMARY

Year	No. Core Jobs Jan 1st Rpt. Yr.	No. Core Jobs Dec. 31st Rpt Yr	Net No. Core Jobs retained during yr.
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Tina Dierschke, Finance Director, Finance, 325-657-4268

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Consider adoption of an ordinance authorizing the issuance of one or more series of city of San Angelo, Texas waterworks and sewer system revenue bonds; delegating the authority to certain city officials to execute certain documents relating to the sale of the bonds; establishing procedures for the sale and delivery of the bonds; providing for the security for and payment of such bonds; and authorizing and enacting other matters and provisions relating to the subject - (Presentation by Finance Director Tina Dierschke)

Summary/History:

In November, the City Council unanimously approved a motion to enter into negotiations to purchase the approximately 31,500 acre Ford Ranch for a maximum of \$1,350 an acre (approximately \$43 million). Once the water rights are secured, the plan is to sell the ranch and use the proceeds from the sale to pay off debt.

Traditionally, bonds become eligible for prepayment approximately 10 years after the initial issuance. Given the City's anticipation to sell all or a portion of the land in the future, these bonds will be structured with a 5 year prepayment option to allow the City to pay off debt with proceeds from the resale of the ranch. It is the City's intent to pay off this proposed bond issue within 5 years. The proposed bonds used to finance the purchase of the Ford Ranch will be sold on a taxable basis, and the bonds will be issued with a fixed interest rate for the life of the transaction.

Financial Impact:

The bond payments will be made using revenue generated by the Water and Water Reclamation Funds. This revenue was allocated in the water rate plan recently adopted by the City Council that went into effect on January 1, 2016 for a water supply project. There will be no increase to water rates as a result of this bond issue.

Other Information/Recommendation:

Staff recommends approval of the ordinance.

Attachments:

- | | |
|----------------------------------|--|
| 1. Parameters Ordinance | Parameters Ordinance v2 - Ford Ranch.pdf |
| 2. Water Rights Debt Issue - PPT | 12-6-2016 San Angelo - Water Rights Acquisition.pptx |

Presentation:

Tina Dierschke

Approvals/Reviews:

Tina Dierschke
Tina Dierschke

Created/Initiated
Approved

Theresa James
Anthony Wilson
Julia Antilley
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Approved
Approved
Final Approval

ORDINANCE _____

AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF CITY OF SAN ANGELO, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; ESTABLISHING PROCEDURES FOR THE SALE AND DELIVERY OF THE BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SUCH BONDS; AND AUTHORIZING AND ENACTING OTHER MATTERS AND PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS	§
COUNTY OF TOM GREEN	§
CITY OF SAN ANGELO	§

WHEREAS, Chapter 1502, Texas Government Code, as amended (“Chapter 1502”), provides that the governing body of a municipality may issue public securities for the purposes hereinafter provided, and the City Council (the “City Council”) of the City of San Angelo, Texas (the “Issuer”) finds and determines that it is necessary, useful and appropriate for the Issuer’s public purposes to authorize and provide for the issuance and sale of revenue bonds of the Issuer for such purposes, as hereinafter provided;

WHEREAS, the revenue bonds hereinafter authorized to be issued and are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code, Chapters 1502 and 1371, as amended, and the Issuer’s Home Rule Charter;

WHEREAS, it is considered to be to the best interest of the Issuer that said revenue bonds be issued; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS:

Section 1. DEFINITIONS.

“*2017 Reserve Fund*” means the special fund created, established and maintained by the provisions of Sections 7 and 11 of this Ordinance.

“*Accountant*” means an independent certified public accountant or accountants or a firm of independent certified public accountants, in either case, with demonstrated expertise and competence in public accountancy.

“*Additional First Lien Obligations*” means bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt which the Issuer reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 16 of this Ordinance and which obligations are equally and ratably secured solely by a first lien on and pledge of the Pledged Revenues on a parity with the Bonds.

“*Annual Debt Service Requirements*” means, as of the date of calculation, the principal of and interest on all First Lien Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof or other demand conditioned upon default by the Issuer on such Debt, or be payable in

respect of any required purchase of such Debt by the Issuer) in such Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Issuer:

(1) Balloon Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Issuer) in any Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Year (such principal due in such Year for such series or issue of Funded Debt being referred to herein and throughout this Ordinance as “Balloon Debt”), the amount of principal of such Balloon Debt taken into account during any Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(2) Consent Sinking Fund. In the case of Balloon Debt, if a Designated Financial Officer shall deliver to the Issuer a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (2) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (2) shall not apply where the Issuer has elected to apply the rule set forth in clause (1) above;

(3) Prepaid Debt. Principal of and interest on Bonds and Additional First Lien Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(4) Variable Rate. As to any First Lien Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Issuer, either (A) an interest rate equal to the average rate borne by such First Lien Obligations (or by comparable debt in the event that such First Lien Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of First Lien Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such First Lien Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such First Lien Obligations);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“Average Annual Debt Service Requirements” means that average amount which, at the time of computation, will be required to pay the Annual Debt Service Requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Annual Debt Service Requirements by the number of Years then remaining before Stated Maturity of such First Lien Obligations. For the purposes of this definition, a fractional period of a Year shall be treated as an entire Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“Bonds” means, the City of San Angelo, Texas Waterworks and Sewer System Revenue Bonds, Series 2017 authorized by this Ordinance and in the amounts and containing the terms set forth herein.

“Capital Addition” means a reservoir or an interest therein, a water treatment plant or an interest therein, a wastewater treatment plant or an interest therein, the acquisition of rights or improvements that will increase the capacity and/or water supply of the System or an interest therein, and associated transmission facilities with respect to each and any combination thereof, and which shall become a part of the System.

“City Council” means the governing body of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules promulgated in connection therewith.

“Debt” means:

(1) all indebtedness payable from Pledged Revenues incurred or assumed by the Issuer for borrowed money and all other financing obligations of the System payable from Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Pledged Revenues for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the Issuer, or that is in effect guaranteed, directly or indirectly, by the Issuer through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the System in prior Years.

“Defeasance Securities” means a security described in Section 20 of this Ordinance.

“Depository” means one or more official depository banks of the Issuer.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Designated Financial Officer” means the City Manager, Assistant City Manager, or the Finance Director of the Issuer, or such other financial or accounting official of the Issuer so designated by the Issuer.

“Event of Default” means an event as described in Section 26 of this Ordinance.

“First Lien Obligations” means the Bonds and any Additional First Lien Obligations hereafter issued by the Issuer or obligations issued to refund any of the foregoing (as determined within the sole discretion of the City Council in accordance with applicable law) if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

“First Lien Obligation Reserve Requirement” means the amount or a manner of calculating the amount established by each ordinance authorizing the issuance of First Lien Obligations that are to be secured by a debt service reserve fund to be held and maintained on deposit therein. With respect to the Bonds, such amount is the Required Reserve Amount established in Section 11(a) hereof.

“Funded Debt” means all First Lien Obligations created or assumed by the Issuer that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Issuer to a date, more than one year after the original creation or assumption of such Debt by the Issuer.

“Gross Revenues” mean all revenues, income and receipts of every nature derived or received by the Issuer from the operation and ownership of the System (other than _____), including the interest income from investment or deposit of money in any fund created by this Ordinance or maintained by the Issuer in connection with the System.

“Holder” or *“Holders”* means the registered owner, whose name appears in the Registration Books, for any First Lien Obligation.

“Interest and Sinking Fund” means the special fund maintained by the provisions of Sections 7 and 10 of this Ordinance.

“Issuer” means the City of San Angelo, Texas, in Tom Green County, Texas.

“Maturity” means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof, or call for redemption, or otherwise.

“Maximum Annual Debt Service Requirements” means the greatest requirement of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Year or in the then current Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Debt proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“*Net Earnings*” means the Gross Revenues of the System after deducting the Operating Expenses of the System but not depreciation or other expenditures which, under standard accounting practice, should be charged to capital expenditures.

“*Net Revenues*” mean all Gross Revenues remaining after deducting Operating Expenses.

“*Operating Expenses*” means the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the Issuer, are necessary to keep the System in operation and render adequate service or such as might be necessary to meet some physical accident or conditions which would otherwise impair the First Lien Obligations), and all payments under contracts for materials and services (including water supply contracts) provided to the Issuer that are required to enable the Issuer to render efficient service. Depreciation shall never be considered as an Operating Expense.

“*Ordinance*” means this ordinance finally adopted by the City Council on December 6, 2016.

“*Outstanding*” means, when used with respect to First Lien Obligations, as of the date of determination, all First Lien Obligations theretofore delivered under this Ordinance and any ordinance authorizing Additional First Lien Obligations, except:

- (1) First Lien Obligations theretofore cancelled and delivered to the Issuer or delivered to the Paying Agent/Registrar for cancellation;
- (2) First Lien Obligations deemed paid pursuant to the provisions of Section 20 of this Ordinance or any comparable section of any ordinance authorizing Additional First Lien Obligations;
- (3) First Lien Obligations upon transfer of or in exchange for and in lieu of which other First Lien Obligations have been authenticated and delivered pursuant to this Ordinance and any ordinance authorizing Additional First Lien Obligations; and
- (4) First Lien Obligations under which the obligations of the Issuer have been released, discharged or extinguished in accordance with the terms thereof.

“*Paying Agent/Registrar*” means the bank initially selected by the Pricing Officer in the Pricing Certificate to serve as paying agent and registrar for the Bonds, or any successor thereto as provided in this Ordinance.

“*Permitted Investments*” means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended or other applicable law.

“*Pledged Revenues*” means

- (1) the Net Revenues, plus
- (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the Issuer to the payment of the First Lien Obligations, and excluding those revenues excluded from Gross Revenues or excluded from Net Revenues.

“Rating Agency” means any nationally recognized securities rating agency which has assigned, at the request of the Issuer, a rating to the First Lien Obligations.

“Record Date” means Record Date as defined in the Form of Bonds in Section 5 of this Ordinance.

“Registration Books” means the books or records for the registration of the transfer, conversion and exchange of the Bonds kept by the Paying Agent/Registrar.

“Required Reserve Amount” means the amount required to be maintained in the 2017 Reserve Fund pursuant to the provisions of Section 11(a) of this Ordinance.

“Required Reserve Fund Deposits” means the deposits and credits, if any, required to be made to the 2017 Reserve Fund pursuant to the provisions of Section 11 of this Ordinance.

“Reserve Fund Obligation” means, to the extent permitted by law, (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on First Lien Obligations would rate the First Lien Obligations fully insured by a standard policy issued by the issuer of such Reserve Fund Obligation in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the First Lien Obligations would rate the First Lien Obligations in any one of its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the First Lien Obligations and the interest thereon.

“Reserve Fund Obligation Payment” means any subrogation payment the Issuer is obligated to make from Pledged Revenues deposited in the 2017 Reserve Fund with respect to a Reserve Fund Obligation.

“Series” or *“Series of Bonds”* means any designated series of Bonds issued pursuant to this Ordinance.

“Special Project” means any water, sewer, wastewater reuse system property, improvement or facility or other public improvement declared by the Issuer not to be part of the System, for which the costs of acquisition, construction and installation are paid from proceeds of Special Project Bonds and for which all maintenance and operation expenses are payable from sources other than Pledged Revenues, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction and installation under such financing transaction.

“Special Project Bonds” means special revenue obligations of the Issuer which are not secured by the Pledged Revenues, but which are secured by and payable solely from special contract revenues or payments received from the System, any other legal entity, or any combination thereof, in connection with a Special Project; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Project Bonds.

“Stated Maturity” means the annual principal payments of the First Lien Obligations payable on the respective dates set forth in the ordinances which authorized the issuance of such First Lien Obligations.

“Subordinate Lien Obligations” means any bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt issued by the Issuer that are payable from or reasonably expected to be

payable in whole from, and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any First Lien Obligations issued by the Issuer.

“*System*” means the Issuer’s existing combined water and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any Special Projects which are hereafter acquired or constructed by the Issuer with the proceeds of Special Project Bonds.

“*System Fund*” means the special fund created by the provisions of Sections 7 and 8 of this Ordinance.

“*Term of Issue*” means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

“*Year*” means the regular fiscal year used by the Issuer in connection with the operation of the System, currently September 30 of each year, which may be any twelve consecutive month period established by the Issuer.

Section 2. RECITALS, AMOUNT, DESIGNATION, AND PURPOSE OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of the City of San Angelo, Texas (the “Issuer”) are hereby authorized to be issued and delivered in one or more Series in the maximum aggregate principal amount of \$50,000,000 (determined without regard to premium or discount affecting the sale price) for the public purposes of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer’s System, to wit: acquiring land and interests in land for the purpose of securing water rights in the Hickory Aquifer, (ii), to fund the 2017 Reserve Fund, and (iii) to pay the costs incurred in connection with the issuance of the Bonds (the “Project”).

(c) Each bond issued pursuant to this Ordinance shall be designated: “CITY OF SAN ANGELO, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2017” with each Series of Bonds having a letter designation following the year, starting with "A", and with such changes as designated by the Pricing Officer pursuant to Section 3. Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, payable to the respective Registered Owners thereof (with the Initial Bond being made payable to the Purchaser as described in Section 25 hereof). The terms "Bonds" as used herein shall mean and include collectively all bonds initially issued hereunder (the "Initial Bonds") and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds. The Bonds shall be in the respective principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager and/or Finance Director of the Issuer (each, a “Pricing Officer”) is hereby authorized to act on behalf of the Issuer in selling and delivering each Series of the Bonds, and carrying out the other procedures specified in

this Ordinance, including, determining the date of sale of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the use of capitalized interest, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, whether a Series will be issued as Tax-Exempt Bonds or Taxable Bonds, the authorized denominations of and the method for the calculation of interest for any Taxable Bonds and all other matters relating to the issuance, sale, and delivery of the Bonds, including without limitation, approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect to the issuance of the Bonds, and obtaining municipal bond insurance for all or any portion of the Bonds (including in connection therewith the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements) and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$50,000,000;
- (ii) the maximum stated maturity of the Bonds shall not exceed February 15, 2046;
- (iii) the Bonds shall bear interest at a fixed rate, and the net effective interest rate on the Bonds shall not exceed the maximum rate permitted by Section 1204.006, Texas Government Code;
- (iv) the delegation made hereby shall expire if not exercised by the Pricing Officer through execution of the Pricing Certificate on or prior to December 6, 2017; and
- (v) on or prior to delivery, the Bonds shall be rated by a Rating Agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a)(i) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the principal corporate trust office of the Paying Agent/Registrar, books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner

provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in subsection (m) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Office of the Attorney General of the State of Texas (the "Attorney General"), and registered by the Office of the Comptroller of Public Accounts of the State of Texas (the "Comptroller").

(c) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(e) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(f) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(g) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsections (i) and (j) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(h) Blanket Letter of Representations. The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Blanket Issuer Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(i) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(j) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having

Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(k) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations of the Issuer to DTC.

(l) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(m) Cancellation of Initial Bonds. On the closing date, one initial Bond (the "Initial Bond") representing the entire principal amount of a Series of the Bonds, payable in stated installments to the purchaser designated in Section 25 or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such purchaser or its designee. Upon payment for such Initial Bond, the Paying Agent/Registrar shall cancel such Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of such Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 5. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of the Comptroller's Registration Certificate to be attached to the Initial Bond, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) Form of Bond.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF SAN ANGELO, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BOND SERIES 2017	PRINCIPAL AMOUNT \$ _____
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Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____	_____	_____	_____

February 15, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the City of San Angelo, in Tom Green County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date set forth above at the Interest Rate per annum specified above. Interest is payable on _____, _____ and semiannually on each _____ and _____ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of [NAME OF PAYING AGENT/REGISTRAR] in [CITY], [STATE], which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared at the close of business on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

NOTWITHSTANDING ANY PROVISION, term, condition or requirement of this Bond or the Bond Ordinance to the contrary, payments to the initial purchaser of the Bonds of principal of and interest on the Bonds shall be made by wire transfer of immediately available funds at no cost to such purchaser.

IN ADDITION, INTEREST MAY BE PAID by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner.

IN THE EVENT OF A NON-PAYMENT OF INTEREST on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond

appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated _____, 2017, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the public purposes of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's Water and Sewer System, to wit: acquiring land and interests in land for the purpose of securing water rights in the Hickory Aquifer, (ii), to fund the 2017 Reserve Fund, and (iii) to pay the costs incurred in connection with the issuance of the Bonds (the "Project").

ON _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

THE BONDS are special obligations of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues of the Issuer's Waterworks and Sewer System. Reference is hereby made to the Bond Ordinance for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one.

THE ISSUER EXPRESSLY RESERVES the right to issue further and additional special revenue obligations equally secured by a lien on and pledge of the Pledged Revenues of the Issuer's Waterworks and Sewer System on a parity with the Bonds of this issue; provided, however, that any and all such additional First Lien Obligations may be issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Bond Ordinance, to which reference is hereby made for more complete and full particulars. The Issuer has further reserved the right in

the Bond Ordinance to issue Subordinate Lien Obligations and to finance Special Projects that are not part of the System and not payable from Pledged Revenues and for which all maintenance and operation expenses are payable from sources other than Pledged Revenues.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation or from any sources whatsoever other than those described in the Bond Ordinance.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, the Mayor Pro Tem of the Issuer) and countersigned with the manual or facsimile signature of the City Clerk of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
City Clerk

(signature)
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate
of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:_____.

[NAME OF PAYING AGENT/REGISTRAR]
[CITY], [STATE]
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth is paragraph (a) of this section, except that:

A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

“THE CITY OF SAN ANGELO, TEXAS, in Tom Green County, Texas (the “Issuer”), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the “Registered Owner”), on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
(Information from Pricing Certificate to be inserted)		

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____, ____ at the respective Interest Rate per annum specified above. Interest is payable on _____, _____, and semiannually on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Bond shall be numbered “T-1.”

Section 6. PLEDGE OF PLEDGED REVENUES.

(a) The Issuer hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged to the payment and security of the First Lien Obligations, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordered that the First Lien Obligations, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the Issuer, and the lien created hereby on the Pledged Revenues for the payment and security of the First Lien Obligations, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, shall be superior to the lien on and pledge of the Pledged Revenues securing payment of any Subordinate Lien Obligations heretofore or hereafter issued by the Issuer.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Holders of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. SPECIAL FUNDS. To provide for the payment of the Bonds and any Additional First Lien Obligations there are created and established, and are hereby ordered to be maintained so long as First Lien Obligations are outstanding, the following limited special funds:

(a) San Angelo Waterworks and Sewer System Fund, hereinafter called the “System Fund.”

(b) San Angelo Waterworks and Sewer System Revenue Bonds Interest and Sinking Fund, hereinafter called the "Interest and Sinking Fund."

(c) San Angelo Waterworks and Sewer System Revenue Bonds 2017 Reserve Fund, hereinafter called the "2017 Reserve Fund."

Each such Fund shall be accounted for separate and apart from all other funds of the Issuer, and shall be maintained in a Depository of the Issuer.

Section 8. SYSTEM FUND. The Issuer hereby covenants, agrees and establishes that the Gross Revenues shall be deposited and credited to the System Fund immediately as collected and received. All Operating Expenses are and shall be paid from such Gross Revenues as a first charge against same.

Section 9. FLOW OF FUNDS.

(a) All Gross Revenues deposited and credited to the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

First: to the payment of all necessary and reasonable Operating Expenses as defined herein, and the payment of such Operating Expenses shall be a first charge on and claim against the Gross Revenues.

Second: to the payment of the amounts required to be deposited and credited to the Interest and Sinking Fund created and established for the payment of the First Lien Obligations and any Additional First Lien Obligations issued by the Issuer as the same become due and payable.

Third: pro rata to the payment of the amounts required to be deposited and credited (i) to the 2017 Reserve Fund created and established in accordance with the provisions of this Ordinance to maintain the Required Reserve Amount therein, and (ii) to each other reserve fund created and established to maintain a reserve in accordance with the provisions of the ordinances relating to the issuance of any Additional First Lien Obligations hereafter issued by the Issuer.

Fourth: to make payment, including payment of amounts required for reserve fund requirements, of Subordinate Lien Obligations.

(b) Any Pledged Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other Issuer purpose now or hereafter permitted by law.

Section 10. INTEREST AND SINKING FUND.

(a) For purposes of providing funds to pay the principal of, premium, if any, and interest on the First Lien Obligations as the same become due and payable, including any mandatory sinking fund redemption payments, the Issuer agrees that it shall maintain the Interest and Sinking Fund. The Issuer covenants to deposit and credit to the Interest and Sinking Fund prior to each principal, interest payment or redemption date from the available Pledged Revenues an amount equal to one hundred percent (100%) of the amount required to fully pay the interest on and the principal of the First Lien Obligations then coming due and payable.

(b) The required deposits and credits to the Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Interest and

Sinking Fund and the 2017 Reserve Fund (and in any reserve fund created pursuant to Section 11(g) hereof, taking into account any Reserve Fund Obligation held in or for the benefit of any such reserve fund) is equal to the amount required to fully pay and discharge all outstanding First Lien Obligations (principal, premium, if any, and interest) or (ii) the First Lien Obligations are no longer outstanding.

(c) Accrued interest and capitalized interest, if any, received from the purchaser of any First Lien Obligation shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required into the Interest and Sinking Fund.

Section 11. 2017 RESERVE FUND.

(a) There is hereby created and ordered held at a Depository of the Issuer, for the benefit of the Bonds, the 2017 Reserve Fund. In accordance with Section 9, from the proceeds of the sale of the Bonds, the Issuer shall deposit and credit to the 2017 Reserve Fund amounts required to maintain the balance in the 2017 Reserve Fund in an amount equal to the Average Annual Debt Service Requirements on the Bonds (the "Required Reserve Amount"). The Required Reserve Amount shall be maintained in the 2017 Reserve Fund at all times after the delivery of the Bonds. There shall be deposited into the 2017 Reserve Fund any Reserve Fund Obligations so designated by the Issuer. All funds, investments and Reserve Fund Obligations on deposit and credited to the 2017 Reserve Fund shall be used solely for (i) the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, (ii) to make Reserve Fund Obligation Payments, and (iii) to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds.

(b) When and for so long as the cash, investments and Reserve Fund Obligations in the 2017 Reserve Fund equal the Required Reserve Amount or the portion then required to be on deposit therein, no deposits need be made to the credit of the 2017 Reserve Fund; but, if and when the 2017 Reserve Fund at any time contains less than the Required Reserve Amount then required to be on deposit therein, the Issuer covenants and agrees that the Issuer shall cure the deficiency in the 2017 Reserve Fund by making Required Reserve Fund Deposits to such fund from the Pledged Revenues in accordance with Section 9 by monthly deposits in amounts equal to not less than 1/60th of the Required Reserve Amount, with any such deficiency payments being made on or before the last day of each month until the Required Reserve Amount has been fully funded or restored. In addition, in the event that a portion of the Required Reserve Amount is represented by a Reserve Fund Obligation, the Required Reserve Amount shall be restored as soon as possible from monthly deposits of Pledged Revenues on deposit in the System Fund in accordance with Section 9, but subject to making the full deposits and credits to the Interest and Sinking Fund required to be made by Section 10. The Issuer further covenants and agrees that, subject only to the prior deposits to be made to the Interest and Sinking Fund, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve Amount, including by paying Reserve Fund Obligation Payments when due, and any reserve established for the benefit of any issue or series of Additional First Lien Obligations and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional First Lien Obligations. Reimbursements to the provider, if any, of a Reserve Fund Obligation shall constitute the making up of a deficiency in the 2017 Reserve Fund to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the Reserve Fund Obligation.

(c) Earnings and income derived from the investment of amounts held for the credit of the 2017 Reserve Fund shall be retained in the 2017 Reserve Fund until the 2017 Reserve Fund contains the Required Reserve Amount. During such time as the 2017 Reserve Fund contains the Required Reserve Amount or any cash or Permitted Investment is replaced with a Reserve Fund Obligation pursuant to subsection (d) below, the Issuer may, at its option, withdraw all surplus funds in the 2017 Reserve Fund and deposit such surplus in the System Fund; provided that the face amount of any Reserve Fund Obligation may be reduced at the option

of the Issuer in lieu of such transfer. Notwithstanding the foregoing, any surplus funds in the 2017 Reserve Fund that consist of proceeds of the Bonds or interest thereon shall be used for purposes for which the Bonds were issued or deposited to the Interest and Sinking Fund.

(d) The Issuer may at any time deposit, supplement, replace or substitute a Reserve Fund Obligation for cash or Permitted Investments on deposit in the 2017 Reserve Fund or in substitution for or replacement of any existing Reserve Fund Obligation, provided, that the deposit, supplement, replacement or substitution of the Reserve Fund Obligation will not, in and of itself, cause any ratings then assigned to the Bonds by any Rating Agency to be lowered and the ordinance authorizing the substitution of the Reserve Fund Obligation for all or part of the Required Reserve Amount contains a finding that such substitution is cost effective. Notwithstanding any other provision of this Ordinance, if a Reserve Fund Obligation is utilized in connection with the Bonds after the issuance date of the Bonds, the Issuer must specifically approve any such Reserve Fund Obligation and any such Reserve Fund Obligation must be submitted to the Attorney General of Texas (if submission is then required by law) for approval.

(e) If the Issuer is required to make a withdrawal from the 2017 Reserve Fund for any of the purposes described in this Section, the Issuer shall promptly notify the issuer of such Reserve Fund Obligation of the necessity for a withdrawal from the 2017 Reserve Fund for any such purposes, and shall make such withdrawal FIRST from available moneys or Permitted Investments then on deposit in the 2017 Reserve Fund, and NEXT from a drawing under any Reserve Fund Obligation to the extent of such deficiency.

(f) In the event there is a draw upon the Reserve Fund Obligation, the Issuer shall reimburse the issuer of such Reserve Fund Obligation for such draw, in accordance with the terms of any agreement pursuant to which the Reserve Fund Obligation is used, from Pledged Revenues, however, such reimbursement from Pledged Revenues shall be in accordance with the provisions of Section 11(b) hereof and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the then outstanding First Lien Obligations.

(g) The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any ordinance or other instrument authorizing the issuance of First Lien Obligations for the purpose of securing that particular issue or series of First Lien Obligations or any specific group of issues or series of First Lien Obligations (including the combining of debt service reserve funds for First Lien Obligations so long as the requirements of each ordinance authorizing such First Lien Obligations are satisfied), and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular First Lien Obligations for which such debt service reserve fund was established. Each debt service reserve fund shall receive a pro rata amount of the Pledged Revenues after the requirements of the Interest and Sinking Fund, which secures all First Lien Obligations, have first been met. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the First Lien Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other First Lien Obligations. Each ordinance authorizing the issuance of First Lien Obligations that are to be secured by a debt service reserve fund shall specify the amount or a manner of calculating the amount to be held and maintained on deposit therein.

Section 12. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to all First Lien Obligations) to make the required deposits and credits to the Interest and Sinking Fund and the 2017 Reserve Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such

deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to such funds.

(b) Excess Pledged Revenues. Subject to making the deposits and credits required by this Ordinance or any ordinances authorizing the issuance of Additional First Lien Obligations, or the payments and credits required by the provisions of the ordinances authorizing the issuance of Subordinate Lien Obligations heretofore or hereafter issued by the Issuer, the excess Pledged Revenues may be used for any lawful purpose.

Section 13. INVESTMENT OF FUNDS; VALUATION; FUNDS SECURED; TRANSFER OF INVESTMENT INCOME.

(a) Moneys in any fund established pursuant to this Ordinance may, at the option of the Issuer, be invested in Permitted Investments, provided that all such deposits and investments shall have a market value exclusive of accrued interest at all times at least equal to the amount of money credited to such funds, and shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Moneys in the 2017 Reserve Fund shall not be invested in securities maturing later than the final maturity of the Bonds. Such investments shall be valued in terms of current market value as of the last day of each Year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at their par or face principal amount. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or any Additional First Lien Obligations issued. To the extent not invested, moneys in any fund established pursuant to this Ordinance shall be secured in the manner prescribed by law for securing funds of the Issuer.

(b) All interest and income derived from such investments (other than interest and income derived from amounts credited to the 2017 Reserve Fund or any other reserve fund created in accordance with Section 11(g) hereof, if the 2017 Reserve Fund or such other reserve fund, as the case may be, does not contain the Required Reserve Amount or the First Lien Obligation Reserve Requirement, as the case may be) shall be credited to the System Fund semi-annually and shall constitute Gross Revenues.

Section 14. PAYMENT OF FIRST LIEN OBLIGATIONS. While any of the First Lien Obligations are outstanding, the Issuer shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Interest and Sinking Fund, and, if necessary, in the 2017 Reserve Fund with respect to the Bonds, amounts sufficient to fully pay and discharge promptly the interest on and principal of the First Lien Obligations as shall become due on each interest or principal payment date, or date of redemption of the First Lien Obligations; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the First Lien Obligations not later than the business day next preceding the date such payment is due on the First Lien Obligations. The Paying Agent/Registrar shall destroy all paid First Lien Obligations and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 15. ISSUER COVENANTS. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in any ordinance authorizing the issuance of First Lien Obligations, including this Ordinance, and in each and every First Lien Obligation; it will promptly pay or cause to be paid the principal of and interest on every First Lien Obligation on the dates and in the places and manner prescribed in such ordinances and obligations; and it will, at the times and in the manner prescribed, deposit and credit or cause to be deposited and credited the amounts required to be deposited and credited to the Interest and Sinking Fund and the 2017 Reserve Fund.

(b) Issuer's Legal Authority. It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Bonds; that all action on its part for the issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) Title. It has or will obtain lawful title to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the Holders of the First Lien Obligations, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the First Lien Obligations in the manner prescribed herein, and has lawfully exercised such rights.

(d) Liens. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Issuer.

(e) Operation of System; No Free Service. It will, while any First Lien Obligations are outstanding, continuously and efficiently operate the System, and shall maintain the System in good condition, repair and working order, all at reasonable cost. No free service of the System shall be allowed, and should the Issuer or any of its agencies or instrumentalities make use of the services and facilities of the System, payment of the reasonable value shall be made by the Issuer out of funds from sources other than the Gross Revenues of the System, unless made from surplus or excess Pledged Revenues as permitted in Section 12.

(f) Further Encumbrance. While any First Lien Obligations are outstanding, it will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Ordinance in connection with Additional First Lien Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Ordinance; but the right of the Issuer to issue or incur obligations payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(g) Sale or Disposal of Property. While any First Lien Obligations are outstanding, it will not sell, convey, mortgage, encumber, lease or in any manner transfer title to, or release without due consideration in whole or in part contractual rights constituting part of the System, or any significant or substantial part thereof; provided that whenever the Issuer deems it necessary to dispose of any other property, machinery, fixtures or equipment, it may sell or otherwise dispose of such property, machinery, fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined that no such replacement or substitute is necessary. Proceeds from any sale hereunder not used to replace or provide for substitution of such property sold, shall be used for improvements to the System or to purchase or redeem First Lien Obligations.

(h) Insurance. (1) The Issuer shall insure such parts of the System as would usually be insured by corporations operating like properties, with responsible insurance companies, against loss to the extent insurance is usually carried by corporations operating like properties. To the extent reasonably obtainable, it shall include insurance against the perils of fire, extended coverage and flooding and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the Issuer's attorney gives a written opinion to the effect that the Issuer is not liable for claims which would be protected by such

insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Issuer shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Issuer shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Issuer. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Issuer for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(i) for the redemption prior to maturity of the First Lien Obligations, ratably in the proportion that the outstanding principal of each series of First Lien Obligations bears to the total outstanding principal of all First Lien Obligations, provided that, if on any such occasion the principal of any such series is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(ii) if none of the outstanding First Lien Obligations is subject to redemption, then for the purchase on the open market and retirement of said First Lien Obligations in the same proportion as prescribed in the foregoing clause (i), to the extent practicable; provided, however, that the purchase price for any First Lien Obligation shall not exceed the redemption price of such First Lien Obligation on the first date upon which it becomes subject to redemption; or

(iii) to the extent that the foregoing clauses (i) and (ii) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at a Depository, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (i) and/or (ii) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(2) The foregoing provisions of (1) above notwithstanding, the Issuer shall have authority to enter into coinsurance or similar plans where risk of loss is shared in whole or in part by the Issuer.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the Issuer has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(i) Governmental Agencies. It will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the Issuer has or will obtain and keep in full force and effect all franchises, permits, authorization and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

(j) No Competition. That so far as it legally may, it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System's facilities and, to the extent that it legally may, the Issuer will prohibit any such competing facilities.

(k) Records. It will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities and transactions relating to the System, the Pledged Revenues, and the

funds created pursuant to this Ordinance, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of a Holder of First Lien Obligations.

(l) Audits. After the close of each Year while any First Lien Obligation is outstanding, it will cause an audit to be made of the books and accounts relating to the Authority, including the System and the Pledged Revenues by an Accountant. As soon as practicable after the close of each such Year, and when said audit has been completed and made available to the Issuer, a copy of such audit for the preceding Year shall be mailed to the Municipal Advisory Council of Texas. Such annual audit reports shall be open to the inspection of the Holders of First Lien Obligations and their agents and representatives at all reasonable times.

(m) Rate Covenant. It will fix, establish, maintain and collect such rates, charges and fees for the use and availability of the System at all times as are necessary to produce Gross Revenues equal to the greater of amounts sufficient:

- (a) (1) to pay all current Operating Expenses, and (2) to produce Net Revenues for each Year at least equal to 1.15 times the Average Annual Debt Service Requirements of all then outstanding First Lien Obligations, or
- (b) to pay the sum of: (i) all current Operating Expenses, (ii) the Average Annual Debt Service Requirements of all then outstanding First Lien Obligations and Subordinate Lien Obligations, (iii) required deposits to a reserve fund for any First Lien Obligations and Subordinate Lien Obligations then outstanding, and (iv) amounts required to pay all other obligations of the System reasonably anticipated to be paid from Gross Revenues during the current Year.

Section 16. ISSUANCE OF ADDITIONAL FIRST LIEN OBLIGATIONS.

(a) The Issuer shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional First Lien Obligations, in accordance with law, in any amounts, for purposes of extending, improving or repairing the System or for the purpose of refunding of any First Lien Obligations, Subordinate Lien Obligations or other obligations of the Issuer incurred in connection with the ownership or operation of the System. Such Additional First Lien Obligations, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable equally and ratably on a parity with all other First Lien Obligations at the time outstanding and unpaid, from a first lien on and pledge of the Pledged Revenues herein granted.

(b) The Interest and Sinking Fund shall secure and be used to pay all First Lien Obligations. Each ordinance under which Additional First Lien Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Ordinance and the provisions of any other ordinance or ordinances authorizing Additional First Lien Obligations to be deposited to the credit of the Interest and Sinking Fund, the Issuer shall deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional First Lien Obligations then being issued, as the same come due.

(c) Additional First Lien Obligations shall be issued only in accordance with this Ordinance, but notwithstanding any provisions of this Ordinance to the contrary, no installment, series or issue of Additional First Lien Obligations shall be issued or delivered unless:

- (i) The Designated Financial Officer shall have executed a certificate stating (A) (i) that, to the best of such person's knowledge and belief, the Issuer is not then in default as to any covenant or requirement contained in any ordinance authorizing the issuance of outstanding First Lien

Obligations, and (ii) payments into all special funds or accounts created and established for the payment and security of all outstanding First Lien Obligations have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (B) the application of the proceeds of sale of such obligations then being issued will cure any such default or deficiency; and

(ii) The Designated Financial Officer shall have executed a certificate stating that based on the books and records of the Issuer, during either the preceding Year, or any twelve (12) consecutive months out of the fifteen (15) months immediately preceding the date of the then proposed Additional First Lien Obligations, the Net Earnings are at least equal to 1.15 times the Average Annual Debt Service Requirements (computed on a fiscal year basis) of the First Lien Obligations to be outstanding **after the** issuance of the then proposed Additional First Lien Obligations.

(d) If the proceeds of the Additional First Lien Obligations are to be used to construct or acquire a Capital Addition, the following two certificates may be provided in lieu of the certificate required by (c)(ii) above:

(i) The Designated Financial Officer shall have executed a certificate stating that based on the books and records of the Issuer, during either the preceding Year, or any twelve (12) consecutive months out of the fifteen (15) months immediately preceding the date of the then proposed Additional First Lien Obligations, the Net Earnings are at least equal to 1.15 times the Average Annual Debt Service Requirements (computed on a fiscal year basis) of the First Lien Obligations to be outstanding **at the time** of issuance of the Additional First Lien Obligations then being issued; and

(ii) a certificate of an Accountant to the effect that the projected Net Earnings will be, in his or its opinion, for each of the five (5) Years subsequent to the date the Capital Addition becomes commercially operative (as estimated in the engineering report pertaining thereto) equal to at least 1.15 times the Average Annual Debt Service Requirements for First Lien Obligations then outstanding and all Additional First Lien Obligations estimated to be issued, if any, for all improvements to the System and for all Capital Additions then in progress or then being initiated during the period from the date the first series of obligations for the Capital Addition is to be delivered through the fifth Year subsequent to the date the Capital Addition is estimated to become commercially operative.

(e) In making a determination of Net Earnings for any of the purposes described in this Section, the Designated Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the date the ordinance authorizing the issuance of the Additional First Lien Obligations is adopted and, for purposes of satisfying the Net Earnings tests described above, make a pro forma determination of the Net Earnings of the System for the period of time covered by said Designated Financial Officer's certification or opinion based on such change in rates and charges being in effect for the entire period covered by said Designated Financial Officer's certificate or opinion.

(f) First Lien Obligations may be refunded (pursuant to any law then available) upon such terms and conditions as the Issuer may deem to be in the best interest of the Issuer and its inhabitants, and if less than all such outstanding First Lien Obligations are refunded, the proposed refunding bonds shall be considered as "Additional First Lien Obligations" under the provisions of this Section and the certificate required in subsection (c)(ii) shall give effect to the issuance of the proposed refunding bonds (and shall not give effect to the bonds being refunded following their cancellation or provision being made for their payment).

(g) All calculations of Average Annual Debt Service Requirements made pursuant to this Section shall be made as of and from the date of the Additional First Lien Obligations then proposed to be issued.

Section 17. NO ISSUANCE OF OBLIGATIONS SENIOR TO THE FIRST LIEN OBLIGATIONS. That the Issuer covenants and agrees that it will not issue any obligations payable from and secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, senior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the First Lien Obligations, it being the intent of the Issuer that upon the issuance of the Bonds, the Issuer will finance improvements and extensions of the System and refinance obligations issued for the purpose of improving and extending the System with First Lien Obligations.

Section 18. ISSUANCE OF SUBORDINATE OBLIGATIONS. The Issuer hereby reserves the right to issue, at any time, obligations including, but not limited to, Subordinate Lien Obligations, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, subordinate and inferior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the First Lien Obligations, as may be authorized by the laws of the State of Texas.

Section 19. ISSUANCE OF SPECIAL PROJECT BONDS. Nothing in this Ordinance shall be construed to deny the Issuer the right and it shall retain, and hereby reserves unto itself, the right to issue Special Project Bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

Section 20. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the funds created and the revenues herein pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsections (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be

turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by the laws of the State of Texas that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 21. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1206.022, Texas Government Code, this Section 21 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 22. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor and Finance Director of the Issuer are hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General and registration by the Comptroller. Upon registration of the Initial Bonds said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Initial Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or the City Manager, and the Mayor or the City Manager is hereby authorized to execute such engagement letter.

Section 23. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. This Section 23 shall apply only to a Series of Bonds designated as obligations described in Section 103 of the Code by the Pricing Officer in the applicable Pricing Certificate.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed or refinanced by the Bonds or the Refunded Bonds (the "Project") are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed

therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” that is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with -

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury (the “Treasury Regulations”), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the “Excess Earnings,” within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(9) to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder;

(10) to assure that the proceeds of the Bonds will be used solely for new money purposes.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not

be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of the Bonds, transferred proceeds (if any) and proceeds of the Refunded Bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, City Manager, or Finance Director to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 24. CONSTRUCTION FUND; INVESTMENT EARNINGS; SECURITY FOR DEPOSITS.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the “Series 2017 Revenue Bond Construction Fund” for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided, and to pay the costs of issuance of the Bonds. Upon payment of all such costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund

(b) The Issuer may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other Bond proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is provided, however, that any interest earnings on Bond proceeds that are required to be rebated to the United States of America pursuant to Section 23 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds as provided in Chapters 2256 and 2257, Texas Government Code, as amended.

Section 25. SALE OF BONDS; FURTHER PROCEDURES.

(a) The Bonds shall be sold and delivered subject to the provisions of Section 2 and Section 3 and pursuant to the terms and provisions of a bond purchase agreement, an investment letter, or a notice of sale and bidding instructions (the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the initial purchaser or purchasers (the "Purchaser") of the Bonds shall be designated. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall be registered in the name set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a preliminary official statement and a final official statement relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Resolution and made a part hereof for all purposes, notwithstanding any other provision of this Resolution to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the City Clerk, City Manager and Finance Director of the Issuer shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer such documents, certificates and other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, the Paying Agent/Registrar Agreement, and the Blanket Issuer Letter of Representations of the Issuer to DTC. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 26. DEFAULT AND REMEDIES

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the Issuer, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 27. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, for each fiscal year ending in or after 2017, financial information and operating data with respect to the Issuer of the general type set forth in the Pricing Certificate. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the Issuer’s annual financial report, or such other accounting principles as the Issuer may be required to

employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information that is available to the Issuer by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Bondholders;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes; and

9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended

by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 28. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to wit:

(a) The Issuer may from time to time, without the consent of any holder of a First Lien Obligation, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders of First Lien Obligations, (ii) grant additional rights or security for the benefit of the holders of First Lien Obligations, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders of First Lien Obligations, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders of First Lien Obligations.

(b) That the owners of First Lien Obligations aggregating in principal amount 51% of the aggregate principal amount of then outstanding First Lien Obligations (for purposes of this sentence only, 100% of the aggregate principal amount of First Lien Obligations which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of the owners of all of the First Lien Obligations at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the First Lien Obligations so as to:

- (1) Make any change in the maturity of any of the outstanding First Lien Obligations;
- (2) Reduce the rate of interest borne by any of the outstanding First Lien Obligations;
- (3) Reduce the amount of the principal payable on the outstanding First Lien Obligations;

(4) Modify the terms of payment of principal of or interest on the outstanding First Lien Obligations or impose any conditions with respect to such payment;

(5) Affect the rights of the holders of less than all of the First Lien Obligations then outstanding;

(6) Change the minimum percentage of the principal amount of First Lien Obligations necessary for consent to such amendment; or

(7) Amend this subsection (a) of this Section 28.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected First Lien Obligations a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment.

(d) Whenever at any time within one year from the date of the mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the First Lien Obligations then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected First Lien Obligations shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a First Lien Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of notice as provided for in this Section, and shall be conclusive and binding upon all future holders of the same First Lien Obligation during such period. Such consent may be revoked at any time after six months from the date of mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected First Lien Obligations then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the First Lien Obligations, the Issuer shall rely solely upon the registration of the ownership of such First Lien Obligation on the registration books kept by the respective paying agent/registrar of such First Lien Obligations.

(h) That the foregoing provisions of this Section notwithstanding, the Issuer by action of the City Council may amend this Ordinance for any one or more of the following purposes:

(1) To add to the covenants and agreements of the Issuer in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to bondholders or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Issuer;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Ordinance, or in regard to clarifying matters or questions arising under this Ordinance, including, without limitation, those matters described in Section 27(d)(v) hereof, or those matters necessary to obtain a rating on the

Bonds or to obtain the approving opinion of the Attorney General of Texas as required by law, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the holders of the First Lien Obligations;

(3) To make such amendments to this Ordinance as may be required, in the opinion of nationally-recognized bond counsel selected by the Issuer, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated thereunder and applicable thereto;

(4) To modify any of the provisions of this Ordinance in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all First Lien Obligations outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all First Lien Obligations issued after the date of the adoption of such modification.

Section 29. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 30. NO PERSONAL LIABILITY. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the Issuer or any person executing any Bond.

Section 31. OPEN MEETING. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

Section 32. IMMEDIATE EFFECTIVE DATE. This Ordinance shall take effect and be in force immediately upon and after its adoption by the City Council in accordance with the provisions of Section 1201.028, Texas Government Code and the provisions of the City Charter of the Issuer, and it is accordingly so ordained.

(Execution Page Follows)

APPROVED AND ADOPTED ON THE 6TH DAY OF DECEMBER, 2016

Dwain Morrison, Mayor
City of San Angelo, Texas

Attest

Bryan Kendrick, City Clerk
City of San Angelo, Texas

Approved As to Form:

Approved As to Content:

Leroy Grawunder, Jr.
McCall, Parkhurst & Horton L.L.P.

Tina Dierschke, Finance Director
City of San Angelo, Texas

[CITY SEAL]

Water Rights Acquisition

City of San Angelo, Texas

December 6, 2016



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Vince Viaille | Managing Director
Office 214.373.3911 | Cell 806.773.4546
vince@spubfin.com

Paul Jasin | Managing Director
Office 214.373.3911 | Cell 214.288.7898
paul@spubfin.com

Overview of the Plan of Finance

- In November, the City approved a motion to enter into negotiations to purchase the approximately 31,500 acre Ford Ranch for a maximum of \$1,350 an acre (approximately \$43 million).
- Once the water rights are secured, the plan is to sell the ranch and use the proceeds from the sale to payoff debt.
- Traditionally, bonds become eligible for prepayment approximately 10 years after the initial issuance.
- Given the City's anticipation to sell a portion of the land in the future, these bonds will be structured with a 5 year prepayment option to allow the City to payoff debt with proceeds from the resale of the ranch.
- It is the City's intent to payoff this proposed bond issue within 5 years.
- The proposed bonds used to finance the purchase of the Ford Ranch will be sold on a taxable basis.

Financing Scenario: (Water Revenues as Projected in the 2015 Rate Study)

Year Ending 9/30	Water System	Sewer System	Water System	Sewer System	Aggregate	Series 2017 Revenue Bonds ⁽⁵⁾				Excess Revenues After D/S	Estimated D/S Coverage
	Net Revenues	Net Revenues	Existing D/S Paid	Existing D/S Paid	Net Revenues	Fixed Rate Scenario					
	Available for D/S ⁽¹⁾	Available for D/S ⁽²⁾	from Net Water Revenues ⁽³⁾	from Net Sewer Revenues ⁽⁴⁾	Less Debt Service	Dated: Feb '17 Principal	Est: 5.47% Interest	DSRF	Total Net D/S		
2017	\$ 16,692,918	\$ 4,268,593	\$ 8,410,633	\$ 4,155,130	\$ 8,395,748	-	1,308,474	-	1,308,474	7,087,274	1.51 x
2018	19,585,345	4,268,593	8,612,428	4,133,475	11,108,035	780,000	2,420,531	-	3,200,531	7,907,504	1.50 x
2019	17,796,072	4,268,593	8,416,675	3,946,878	9,701,112	800,000	2,403,565	-	3,203,565	6,497,547	1.42 x
2020	19,644,182	4,268,593	8,422,792	3,953,235	11,536,748	820,000	2,382,890	-	3,202,890	8,333,858	1.53 x
2021	19,697,983	4,268,593	8,427,456	3,953,899	11,585,221	840,000	2,359,015	-	3,199,015	8,386,206	1.54 x
2022	20,658,776	4,268,593	7,589,825	2,129,438	15,208,107	875,000	2,325,853	-	3,200,853	12,007,254	1.93 x
2023	20,721,036	4,268,593	7,542,781	2,086,651	15,360,197	920,000	2,283,670	-	3,203,670	12,156,527	1.95 x
2024	20,773,669	4,268,593	6,847,020	1,406,094	16,789,149	960,000	2,239,490	-	3,199,490	13,589,659	2.19 x
2025	20,816,036	4,268,593	6,847,227	1,406,494	16,830,908	1,010,000	2,193,195	-	3,203,195	13,627,713	2.19 x
2026	20,816,036	4,268,593	6,846,991	1,404,894	16,832,744	1,055,000	2,144,668	-	3,199,668	13,633,076	2.19 x
2027	20,816,036	4,268,593	6,848,049	1,406,797	16,829,783	1,110,000	2,091,015	-	3,201,015	13,628,768	2.19 x
2028	20,816,036	4,268,593	6,850,935	-	18,233,694	1,170,000	2,031,735	-	3,201,735	15,031,959	2.50 x
2029	20,816,036	4,268,593	6,850,290	-	18,234,339	1,230,000	1,969,335	-	3,199,335	15,035,004	2.50 x
2030	20,816,036	4,268,593	6,849,070	-	18,235,559	1,300,000	1,903,555	-	3,203,555	15,032,004	2.50 x
2031	20,816,036	4,268,593	6,850,173	-	18,234,456	1,365,000	1,834,265	-	3,199,265	15,035,191	2.50 x
2032	20,816,036	4,268,593	-	-	25,084,629	1,445,000	1,759,038	-	3,204,038	21,880,591	7.83 x
2033	20,816,036	4,268,593	-	-	25,084,629	1,525,000	1,677,363	-	3,202,363	21,882,266	7.83 x
2034	20,816,036	4,268,593	-	-	25,084,629	1,610,000	1,591,150	-	3,201,150	21,883,479	7.84 x
2035	20,816,036	4,268,593	-	-	25,084,629	1,700,000	1,500,125	-	3,200,125	21,884,504	7.84 x
2036	20,816,036	4,268,593	-	-	25,084,629	1,800,000	1,403,875	-	3,203,875	21,880,754	7.83 x
2037	20,816,036	4,268,593	-	-	25,084,629	1,900,000	1,302,125	-	3,202,125	21,882,504	7.83 x
2038	20,816,036	4,268,593	-	-	25,084,629	2,005,000	1,194,738	-	3,199,738	21,884,891	7.84 x
2039	20,816,036	4,268,593	-	-	25,084,629	2,120,000	1,081,300	-	3,201,300	21,883,329	7.84 x
2040	20,816,036	4,268,593	-	-	25,084,629	2,240,000	961,400	-	3,201,400	21,883,229	7.84 x
2041	20,816,036	4,268,593	-	-	25,084,629	2,365,000	834,763	-	3,199,763	21,884,866	7.84 x
2042	20,816,036	4,268,593	-	-	25,084,629	2,500,000	700,975	-	3,200,975	21,883,654	7.84 x
2043	20,816,036	4,268,593	-	-	25,084,629	2,640,000	559,625	-	3,199,625	21,885,004	7.84 x
2044	20,816,036	4,268,593	-	-	25,084,629	2,790,000	410,300	-	3,200,300	21,884,329	7.84 x
2045	20,816,036	4,268,593	-	-	25,084,629	2,950,000	252,450	-	3,202,450	21,882,179	7.83 x
2046	20,816,036	4,268,593	-	-	25,084,629	3,115,000	85,663	(3,204,038)	(3,375)	25,088,004	N/A
			\$ 112,212,345	\$ 29,982,982		\$ 46,940,000	\$ 47,206,143	\$ (3,204,038)	\$ 90,942,105		

⁽¹⁾ Provided by the City.

⁽²⁾ As shown in the FY 2015 Audit (page 32).

⁽³⁾ Provided by the City. Represents the Series 2011A General Obligation Bonds and the Series 2011B Certificates of Obligation.

⁽⁴⁾ Provided by the City. Represents the Series 2007, Series 2007A, Series 2011A, and Series 2014.

⁽⁵⁾ Interest rates as of November 21, 2016 (+0.20% has a hedge against potential upward interest rate movement).

Indicates bonds eligible to be prepaid beginning in 2021.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Jon James, Director of Planning & Development Services, Planning and Development Services, x1180

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

First Reading and Public Hearing on an Ordinance amending Chapter 12, Exhibit "A," Zoning Ordinance, for Bed and Breakfast Establishments and Short Term Rentals - (Presentation by Planning & Development Services Director Jon James)

Summary/History:

Like many other cities, San Angelo has seen increased interest in short term rentals, or rentals of homes for a period of less than 30 days, particularly in the neighborhoods around Lake Nasworthy. While the City currently has regulations for Bed and Breakfast establishments, other short term rentals are treated as a hotel/motel use, which is not allowed within residential zoning districts. City staff has met with both proponents and opponents of these rentals, as well as representatives of the Lake Nasworthy Homeowners Association, and held a discussion item with the Planning Commission. Based on all of those discussions, staff drafted amendments to the Zoning Ordinance to specifically address Short Term Rentals, as distinct from Bed and Breakfast establishments. These amendments are intended to strike a balance that will generally allow this use in single-family neighborhoods, but with some restrictions to address common concerns from neighbors.

Subsequent to the last meeting where this issue was discussed, staff met with a representative from both the opponents and the proponents of short term rentals to work out a possible compromise ordinance, as directed by Council. While there are still some minor areas of disagreement, the attached ordinance is the result of those discussions. The attached memo summarizes these proposed changes and identifies the areas of disagreement from each side.

Financial Impact:

N/A

Other Information/Recommendation:

On April 18, 2016, the Planning Commission recommended APPROVAL of amendments to the Zoning Ordinance by a unanimous 7-0 vote.

On August 2, 2016, the City Council considered a draft ordinance to address this issue, but no motion achieved the necessary votes to pass, so the issue died effectively leaving the current ordinance prohibiting short term rentals in place. Subsequently at the October 4, 2016 City Council meeting, the Council placed a moratorium on enforcement of

the current ordinance pending resolution of this issue and directed staff to work with representatives from both sides and bring back an ordinance for the December 6, 2016 Council meeting.

Staff recommends approval of the attached amendments.

Attachments:

- 1. Updated Staff Memo Memo_Short Term Rental_City Council (2016-12-06 - 1st Reading).docx
- 2. Revised Ordinance Ordinance_Short Term Rental_City Council 1st Reading (2016-12-06) FINAL DRAFT.docx

Presentation:

Jon James

Approvals/Reviews:

Jon James	Created/Initiated
Jon James	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

MEMO



Meeting

Dates: December 6, 2016 and
January 17, 2017

To: City Council

From: Jon C. James, AICP
Director, Planning & Development Services

Request: Text Amendment to Chapter 12, Exhibit "A" (Zoning Ordinance)

RE: Short Term Rental and Bed & Breakfast establishments

Background:

The Department has received complaints and concerns about homeowners renting out their homes for short-term rentals, typically defined as a rental period of 30 days or less. This is similar to a bed-and-breakfast operation, but the owner is not present on the site and rentals are more often for a whole house. The City's current zoning ordinance specifically regulates bed-and-breakfast facilities, ***but other short term rentals of less than 30 days are treated as a hotel/motel use, which is not allowed within residential zoning districts.***

Given the increasing interest in renting homes for short term use, such as weekend rentals at the lake, staff is presenting the included ordinance amendment as a way to accommodate this use, while placing restrictions that seek to address the common concerns raised by neighbors. Many other cities have been dealing with similar concerns, particularly with the rise of websites that cater to short-term rentals.

Over the past year staff has met with both opponents and proponents of short term rentals and reviewed other cities ordinances. The Planning Commission had a discussion item on this topic at their November 16, 2015

meeting. Based on all of those discussions, staff drafted amendments to the Zoning Ordinance to specifically address Short Term Rentals, as distinct from Bed and Breakfast establishments. These amendments are intended to strike a balance that will generally allow this use in single-family neighborhoods, but with some restrictions to address common concerns from neighbors.

The proposed text amendment, as recommended by the Planning Commission, seeks to do the following:

- Defines a “Short Term Rental” as a dwelling rented for 30 days or less that meets all of the following criteria:
 - Single Family Occupancy (but allowing up to 6 unrelated people rather than the normal requirement of no more than 4 unrelated)
 - No meal service
 - Does not host gatherings of more than 20 people
- Defines “Bed and Breakfast” as a dwelling rented for 30 days or less that does not meet all of the criteria above
- Implement a parking standard to ensure a minimum amount of parking on the site
 - Minimum of two spaces per house, plus an additional space per separately rented bedroom for a bed and breakfast
- Standards to reduce negative impacts:
 - No more than 2 adults per bedroom
 - Outdoor gatherings for parties, picnics, family reunions, etc. are limited to the hours of 7:00 am to 10:30 pm and may not include more than 20 people total.
- Requirements for registration, enforcement, and inspections
 - Hotel Occupancy Tax registration with the State and City (already required)
 - Requires a change of use Certificate of Occupancy when converting a home to a Bed & Breakfast or Short Term Rental
 - Annual fire safety inspection
 - Exception for rental related to the sale of a home
 - Exception for when the property is occupied by the owner or by a long-term renter
- Requirement to obtain Conditional Use approval by the Planning Commission
 - Rather than allowing these uses “by right”, the Planning Commission preferred a Conditional Use requirement to allow an individualized review, and notification for surrounding neighbors, for each proposed Short Term Rental.

Subsequently, this issue was considered before the City Council on August 2, 2016 where no motion garnered enough votes to pass and, therefore, the current prohibition remains in place. At the October 4, 2016 City Council meeting, the Council directed staff to meet with one representative from both the opponents and proponents of short term rentals to craft a compromise ordinance. The ordinance being presented to the Council is the result of those discussions. Below is a summary of the changes from the previous version considered on August 2:

- Approval for a B&B or short term rental (STR) must be renewed after the first year and every two years thereafter. This provides a new hearing and notifications and would allow the permit to not be renewed in circumstances where the use is causing problems for neighbors.
- The owner of a B&B or STR must designate an “operator” who resides within Tom Green County and a phone number for that person.
- A B&B or STR may not be located on a street with a pavement width less than 30 feet, although existing registered uses may continue. **{Staff has some concerns about this limitation.}**
- A STR may not be located within 500 feet of another STR. **{Staff also has concerns about this limitation and believes that the Conditional Use process can adequately address concerns on a case by case basis.}**
- The owner must post within the STR a notice with the contact information of the designated operator, as well as the occupancy limits and noise restrictions.
- A B&B or STR may not be operated on a city-owned lease lot.
- Tents and other camping units are not allowed, with the exception of one “pup tent”.

Finally, opponents of STRs wanted to change the approval process from a Conditional Use, approved by the Planning Commission, to a Special Use, approved by City Council. However, staff is recommending keeping the approval as a Conditional Use, since those decisions may be appealed to the City Council.

Planning Commission Recommendation:

On April 18, 2016, the Planning Commission recommended **APPROVAL** of a text amendment to Chapter 12, Exhibit “A,” Zoning Ordinance, for Bed and Breakfast Establishments and Short Term Rentals, by a unanimous 7–0 vote, subject to five (5) modifications. The following is the complete excerpt of the minutes from the April 18, 2016, meeting for this case:

Jon James, Director of Planning and Development Services, outlined some of the concerns received for short term rentals, including parking, parties, noise, trash, and camping, which led to the creation of this Text Amendment. He outlined one proposed change since the last meeting - to restrict short term rentals from having any signage.

Mr. James then outlined the difference between a short term rental and a bed and breakfast. A short term rental would be for the entire home, with single family occupancy of no more than 4 unrelated persons, no meal service, and no gatherings of more than 20 people, or another number as determined. A bed and breakfast could rent multiple rooms, could be multiple family occupancy, could serve meals, and could host gatherings of more than 20 people. He explained that a short term rental, as proposed, would be allowed in all residential zoning and in the Central Business District (CBD), in the same manner as Household Living, but that this could be done on a case-by-case basis instead. Short term rentals would require a minimum of two parking spaces, and bed and breakfasts would require one additional space per separately rented bedroom. Short term rentals would also be restricted to no more than two adults per bedroom and no gatherings before 7:00am or after 10:00pm, as proposed.

Mr. James further outlined the proposed Text Amendment, including registration for hotel tax which is required when renting a building for less than 30 days, a Certificate of Occupancy to convert a single-family residence into a bed and breakfast or a short term rental, and an annual fire safety inspection for both uses.

Commissioner Smith believed that the Commission was not ready to move forward yet with recommending approval of the Text Amendment.

Commissioner Priess agreed with Commissioner Smith, and indicated that she was unsure of how to proceed with the Text Amendment.

Commissioner Priess opened the item for public comment.

Greg Gossett, a resident in the area, believed the proposed Text Amendment should be denied. He was concerned of parties being held on the sites and the possible lowering of property values. He indicated that should the Amendment be approved, that short term rentals be limited to streets with the minimum street widths and that owners pay a fine if their short term rental is deemed a public nuisance.

Ms. Debbie Powell, an owner of a short term rental in the area, indicated she has rented her home for two years and has been paying hotel tax already. She is concerned that other houses not advertising as short term rentals do not have to follow the same rules because they are not identified as short term rentals.

Mr. Pat Powell, a resident, indicated that a real estate agent he spoke with would not lower the value of a home if it was next to a short term rental.

Ms. Anna Martinez, the owner of a short term rental in the area, indicated she had received positive reviews of her rental.

Ms. Donna Berkson, a resident, is not against short term rentals, but is concerned with who would be responsible when there are several of these in the same area and there are large gatherings.

Mr. Tad Logan, a resident of Lake Nasworthy, believed short term rentals were going to be detrimental to the area. He cited problems with parking and that the existing streets are not 40 feet wide and allowing short term rentals would lead to further traffic congestion.

Mr. Randal Schkade, a resident of Red Bluff Road, stated he was against short term rentals and suggested a non-binding ballot to see if residents agreed with allowing short term rentals, and if not, that existing short term rentals would have 12 months before they were removed.

Ms. Jean Dampert, a resident, indicated that the Lake Nasworthy Homeowners Association at their last meeting voted 12-1 in favor of this Text Amendment. Mr. Tad Logan clarified Mr. Dampert's statement, noting that the 12-1 vote was not in support, but to remain neutral on this issue at this time.

Ms. Sammye Favre, a resident, indicated that she occasionally rents out her home as a short term rental and lets her neighbors know. She also stated that has not had any problems pointed out to her.

Mr. Max Puello, a local real estate agent, believed the Homeowners Association could regulate short term rentals, and requested a motion to table the proposed Amendment.

Jon James, Director of Planning and Development Services, indicated that short term rentals are currently not identified as a Use Category on the Zoning Ordinance. Moreover, he added, if this text amendment

was not approved in some form, enforcement would be brought forward on existing short term rentals as they would not be in compliance with the City's Zoning Ordinance. Mr. James recommended that it would be in the best interest of the Commission to move the item to City Council to ascertain their position on the matter.

Commissioner Priess indicated that several of the existing short term rentals appear to have registered because they are already paying the Hotel Occupancy Tax (HOT tax).

Mr. James responded that even if existing short term rentals signed up with the City for the HOT tax, they are still not zoned accordingly and may not have known about the zoning prohibition on short term rentals.

Ms. Jackson asked where the HOT tax money has been going if the uses are not permitted by zoning. Ms. Priess also inquired if this money went to the City first.

Mr. James indicated that the HOT tax money first goes to the State of Texas which later comes back to the City of San Angelo as a disbursement.

Commissioner Smith asked one of the residents who had already spoken, Ms. Debbie Powell, how she paid her HOT tax.

Ms. Powell responded that to pay the HOT tax, one sends a report to the City with the rental receipts multiplied by 7%. One then sends a separate report to the Texas State Comptroller for their portion of 6%, so that monies go directly to both the City and the State, for a total HOT tax of 13%. Ms. Powell indicated that she had been paying this HOT tax for the last 2 years.

Rebeca Guerra, Planning Manager, explained there are currently two bed and breakfasts that were subject to application approvals in the City, one as a Special Use and one as a Conditional Use. At the present time, the Zoning Ordinance does not allow short term rentals in residential areas, they would require a Conditional Use as a bed and breakfast. The new Text Amendment if approved, would allow short term rentals in residential areas without requiring a Conditional Use as a bed and breakfast each time.

Ms. Kandi Pool of the San Angelo Association of Realtors suggested that the Text Amendment only apply for Lake Nasworthy.

Anna Martinez requested that the Amendment be modified to allow up to six unrelated persons for short term rentals instead of four.

Mr. Gary Pierce, a resident of the Lake, indicated that he wanted to be informed of any further changes.

Commissioner Crisp believed that the homeowners needed to be exempt from the short term rental provisions while they were living in their house.

Mr. James explained as the Amendment is currently written, owners will have one year to obtain a Certificate of Occupancy to convert a single family dwelling into a short term rental.

Commissioner Smith made a Motion to recommend APPROVAL of the Text Amendment for Short Term Rentals and Bed and Breakfasts, seconded by Commissioner Stribling, subject to five (5) modifications. The five (5) modifications were as follows: Outdoor gatherings for Short Term Rentals shall terminate at 10:30 pm (instead of 10:00 pm); A maximum of six (6) unrelated persons may be allowed to occupy a Short Term Rental (instead of four [4]); Camping shall be permitted (instead of camping being prohibited); All Short Term Rentals in residential zoning shall require Conditional Use approval; Existing Short Term Rentals that pay Hotel Occupancy Tax shall have one (1) year from date of the Ordinance's approval to obtain a Conditional Use.

AN ORDINANCE OF THE CITY OF SAN ANGELO, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SAN ANGELO CHAPTER 12, EXHIBIT "A," ZONING ORDINANCE BY: (1) AMENDING ARTICLE 3, "USE REGULATIONS," SECTION 310, "USE TABLE,"; (2) AMENDING ARTICLE 4, "SPECIFIC USE STANDARDS," SECTION 406, "BED AND BREAKFAST ESTABLISHMENTS"; (3) AMENDING ARTICLE 8, "DEFINITIONS," SECTION 804, "DEFINED TERMS," TO AMEND THE DEFINITION FOR "BED AND BREAKFAST" AND ADD A DEFINITION FOR "SHORT TERM RENTAL"; PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF SAN ANGELO, TEXAS:

Section 1. That Chapter 12, Exhibit A "Zoning Ordinance," Article 3 "Use Regulations," Section 310 "Use Table," is hereby amended by adding uses to the Use Table designated as "Short Term Rental" to read as follows:

Use Category	Short Definition (see also Chap. 8)	*	Residential Districts								Nonresidential Districts								
			R&E	RS1	RS2	RS3	RM1	RM2	MHP	MHS	CN	CO	CG	CH	CBD	OW	ML	MH	CG/CH
A = Allowed C= Conditional Use S= Special Use * = Specific Use Regulations May Apply. See Article 4																			
Commercial																			
Short Term Rental	A single-family dwelling offering overnight accommodations	*	C	C	C	C	C	C	C	C	C	C	C	C	A	C	C	C	C

Section 2. That Chapter 12, Exhibit A "Zoning Ordinance," Article 4 "Specific Use Standards," Section 406 is amended by renaming the Section as "Bed and Breakfast Establishments and Short Term Rentals" and restating the section in its entirety to read as follows:

Sec. 406. Bed and Breakfast Establishments and Short Term Rentals

Specific use standards applicable to a bed and breakfast and short term rentals are:

A. General Standards. In all zoning districts, the following will be required:

1. The operator of a Bed and Breakfast or a Short Term Rental must obtain a license from the Director of Planning and Development Services, on an application form approved by the Director. The license must be renewed at the end of the first year and thereafter every two years.
2. The application shall designate an "Operator" who must reside in Tom Green County, Texas and shall furnish a telephone number for the operator. This information shall be furnished in the notice to owners of real property as required by Section 201 of this Zoning Ordinance. If this information subsequently changes, the operator shall mail notice of the new contact information to owners of real property within 200 feet of the lot lines.
3. Neither a Bed and Breakfast nor a Short Term Rental may be approved unless it adjoins a public street at least 30 feet in width. A Short Term Rental use may not be located on a lot that is within 500 feet of a lot on which another Short Term Rental use is located. The restrictions contained in this subparagraph 3 shall not affect any property which is registered with the State of Texas and the City of San Angelo for the purpose of Hotel Occupancy Tax on or before September 1, 2016.
4. The operator shall keep a current guest register in compliance with state code.
5. For the purposes of determining privacy fence requirements, a Bed and Breakfast or a Short Term Rental will always be considered a residential use.
6. On a residentially zoned property, all lighting shall be directed toward the establishment and not at surrounding neighbors.
7. The operator of a Bed and Breakfast or a Short Term Rental must post conspicuously in the common area of each unit (1) the name and contact information of the operator, and (2) the occupancy limits and restrictions on noise as set out in this Section.
8. A minimum of two off-street parking spaces, plus one additional off-street parking space per separately rented guest room, shall be provided

on the same lot or tract of land as the establishment, except in the CBD zoning district as outlined in Section 511.A.1 of this Zoning Ordinance.

9. Neither a Bed and Breakfast nor Short Term Rental establishment may be operated on a city-owned property that is leased for residential purposes.

B. Standards for a Short Term Rental. In addition to the requirements in Section 406.A, the following shall apply on the premises of a Short Term Rental establishment on a residentially zoned property.

1. Renting for overnight occupancy by more than 2 people 18 or older per bedroom is prohibited,
2. meal service may not be provided,
3. permitting or hosting of outdoor gatherings before 7:00 am or after 10:30 pm, or permitting or hosting any outdoor gathering to include more than 20 people attending at one time is prohibited,
4. in addition to occupation by a single family, a Short Term Rental may be occupied by up to 6 individuals unrelated by blood, marriage, or adoption, and
5. these requirements shall not apply for any period in which the owner is occupying the dwelling as a single-family dwelling or when the property is rented as a single-family dwelling for a period of 30 consecutive days or more.

6. Camping Units are prohibited on the premises of a Short Term Rental establishment on a residentially zoned property.

C. Standards for a Bed and Breakfast. In addition to the requirements in Section 406.A, the following shall apply to a Bed and Breakfast establishment:

1. On a residentially zoned property, a maximum of four guest rooms shall be permitted in any one Bed and Breakfast establishment.
2. No food preparation, except beverages, shall be permitted within individual guest rooms. Meal service may only be provided to overnight guests.
3. Preparation and service of food for guests shall conform to all applicable regulations of the State of Texas and the City of San Angelo.
4. On a residentially zoned property, the operator of the Bed and Breakfast shall be a full-time resident of the dwelling unit in which the Bed and Breakfast establishment is housed and shall remain onsite when the unit is occupied by guests.

5. On a residentially zoned property, on-site sales will be permitted only as an accessory use to the Bed and Breakfast establishment; said sales will be limited to Bed and Breakfast guests only; no other sales not otherwise permitted in the zoning district shall be permitted on the premises of a Bed and Breakfast establishment.

6. No exterior evidence of the Bed and Breakfast shall be allowed, except for one sign, no larger than six square feet, which is not internally lit.

D. Registration, Inspections, and Enforcement.

1. All Bed and Breakfast and Short Term Rental establishments must be registered with the State of Texas and the City of San Angelo for the purpose of Hotel Occupancy Tax.

2. A change in occupancy from a single-family home to a Bed and Breakfast or Short Term Rental shall require issuance of a new Certificate of Occupancy to ensure compliance with all applicable standards. A Short Term Rental that is currently operating and paying City and State hotel tax as of the effective date of this ordinance shall have one year therefrom to obtain Conditional Use approval and a Certificate of Occupancy for the Short Term Rental use.

3. The owner shall obtain and comply with an annual fire safety inspection by the City Fire Marshal's office.

4. The offering of a dwelling unit for Bed and Breakfast rental or Short Term Rental, or the solicitation for such rental, creates a rebuttable presumption of such use.

5. Failure to comply with all applicable standards for such an establishment may result in revocation of the Certificate of Occupancy.

Section 3. That Chapter 12, Exhibit A "Zoning Ordinance," Article 8 "Definitions," Section 804 "Defined Terms" is hereby amended to amend the definition for "bed and breakfast" and add a definition for "short term rental" as follows:

BED AND BREAKFAST: An establishment used for dwelling purposes for a period of less than 30 consecutive days in which less than the entire dwelling unit is offered to transient guests for compensation.

SHORT TERM RENTAL: An establishment used for dwelling purposes for a period of less than 30 consecutive days in which the entire dwelling unit is offered to transient guests for compensation. This shall not include a rental of a dwelling that is part of a contract for sale of the dwelling.

CAMPING UNIT: Any tent, trailer, cabin, lean-to or similar structure established or maintained as temporary living quarters for recreational, education or vacation purposes. Excluded from the definition of a “Camping Unit” is one pup tent, which is a wedged-shaped tent for two persons, no more than 40 inches in height and 8 feet in length.

Section 4. This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of San Angelo, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event conflicting provisions of such ordinances and such Code are hereby repealed.

Section 5. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, or for any reason unenforceable, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, or regulation of this Ordinance. This ordinance will be reviewed and revised periodically to accommodate any changes in State or Federal requirements that may be necessary.

Section 6. That this Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the 2nd day of December, 2016, and finally PASSED, APPROVED AND ADOPTED on this the 17th day of January, 2016.

THE CITY OF SAN ANGELO

ATTEST:

by: _____
Dwain Morrison, Mayor

by: _____
Bryan Kendrick, City Clerk

APPROVED AS TO FORM

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Ryan Kramer, Fleet Services Superintendent, Fleet Services, (325) 657-4329

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Consider awarding FS-06-17 Asphalt Paving and Recycling Equipment to Angelo Benedetti, Inc., in an amount of \$1,200,000, budgeted in FY17, for the purchase of one system, and authorizing the City Manager or designee to execute any related documents (Presentation by Operations Director Shane Kelton)

Summary/History:

Bids were requested for the purpose of purchasing asphalt recycling equipment for use by the Street and Bridge Division in performing street rehabilitation. This equipment allows for the City to rehabilitate entire roadways that are in disrepair or in poor condition. The equipment is part of a comprehensive restructuring of the street repair process as a result of Council's street priority.

The purchase will be made from Angelo Benedetti, Inc., and has been budgeted in FY17 through Street Repair Funding.

Financial Impact:

Staff recommends award of FS-06-17 Asphalt Paving and Recycling Equipment to Angelo Benedetti, Inc., in an amount of \$1,200,000. This is a budgeted expenditure.

Other Information/Recommendation:

Staff recommends award of FS-06-17 Asphalt Paving and Recycling Equipment to Angelo Benedetti, Inc.

Attachments:

- | | | |
|----|---|----------------------|
| 1. | FS-06-17 Asphalt Paving and Recycling Equipment Bid Tab | FS-06-17 Bid Tab.pdf |
|----|---|----------------------|

Presentation:

Approvals/Reviews:

Ryan Kramer	Created/Initiated
Patrick Frerich	Approved
Shane Kelton	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved

Becky Dunn
Bryan Kendrick

Approved
Final Approval



CITY OF SAN ANGELO

RFB Tabulation * FS-06-17/ Asphalt Recycling and Paving Equipment

11/23/2016 at 2:00 p.m.

Angelo Benedetti, Inc.

Item	Description	Unit Price	Estimated Quantity	Extended Price
1.	New/Unused Recycling/Paving System	1,200,000	1	1200000
2.	Make and Model Quoted:	ABI Phoenix System		
3.	Delivery Lead Time	26 weeks		
Optional Items				
4.	Additional Bumper to Bumper, No Deductible Warranty (in years)	\$50,000	1	
5.	30-day on-site training	Inc	1	
6.	Operator, parts, and service manuals	Inc	1	
7.	Transportation to San Angelo, Tx	\$50,000	1	50000
Total Bid				\$ 1,250,000.00

Piggy Back	Yes
Cooperative	No
P-Card	No
Payment Terms	12 Equal payments of \$100,000
	Transportation paid separately

Buyback guarantee: after 18mos, vendor option to repurchase the equipment, less half the current charge-out rate for recycling, multiplied by the total amount of square yards already completed.

Year end discount of \$300,000 included in unit price above

12 month bumper to bumper warranty

12 month no interest

Mailed to:

Angelo Benedetti Inc.	Cleveland	OH
Ecopave Systems Inc.	Kamloops	BC Canada
Pavement Recyclers	Shelton	CT
Closner Equipment Company, Inc.	Schertz	TX
Cooper Equipment Company	San Antonio	TX
Anderson Machinery	Austin	TX
Thermal Power Corporation	Cococa	FL
Pavement Group	Albany	NY
BOMAG Americas, Inc.	Ridgeway	SC
Falcon	Midland	MI
General Kinematics	Crystal Lake	IL
KM International	North Branch	MI
Stepp Manufacturing Company Inc.	North Branch	MN

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Carl White, Parks and Recreation Director, Parks and Recreation, 325-657-4450

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Consider approving the Parks and Recreation Advisory Board's recommendation to amend the park renovation plan funded by 4B Half-cent sales tax revenues - (Presentation by Parks and Recreation Director Carl White)

Summary/History:

The 2004 referendum authorized \$1,500,000 to be allocated for "Park Improvements." Since the funds became available, we have: 1) provided matching funds for the Red Arroyo Trail grant to ensure its completion, 2) successfully renovated Meadowcreek Park, 3) installed magnetic time locks on all the newer park restrooms, 4) installed and implemented a comprehensive central irrigation control system to save water and staff time, and 5) successfully renovated Bradford Park.

The current plan, with the remaining \$599,500, is to renovate Brentwood Park (the process for which has already begun), then Brown Park, then Santa Rita Park. At its meeting on October 27, 2016, the Parks and Recreation Advisory Board recommended amending this plan. We are proposing to amend the plan by replacing Brown Park with Unidad Park. Justifications are: 1) Unidad Park is heavily visited (especially since the Red Arroyo trail was added) 2) The popular Unidad Park playground is in deteriorating condition. 3) Brown Park is much less used and has recently enjoyed grounds improvements. 4) The Brown Park remaining improvements will require less effort and funding. These projects are all in the Capital Improvement Plan.

Staff seeks City Council's approval of the Parks and Recreation Advisory Board's recommendation.

Please see the "Financial Impact" section for more information.

Financial Impact:

With the remaining \$599,500 of 4B half-cent sales tax funds allocated to "Park Improvements," we are proposing to amend the plan from:

Brentwood Park renovation -- \$275,000
Brown Park renovation -- \$175,000
Santa Rita Park renovation -- \$149,500

to:

Brentwood Park renovation -- \$275,000
Unidad Park renovation -- \$175,000
Santa Rita & Brown Parks renovation -- \$149,500

An estimated budget of \$350,000 is needed to refurbish Unidad Park to include: the playground, poured-in-place fall zone material, walkway, and some amenities. Therefore, we will obviously need to work hard and leverage the half-cent sales tax funds to gain grants and donations to achieve the \$350,000 budget. This is not a complete park renovation; that cost would be closer to \$600,000 to \$750,000 and is not needed.

An option would be to retain a portion of the funds for some improvements at Brown Park.

Other Information/Recommendation:

Attachments:

1. Presentation: Park Renovations
- Renovation Plans.pptx

Presentation:

PowerPoint

Approvals/Reviews:

Carl White	Created/Initiated
Carl White	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



City Council

December 6, 2016



4B Funded Park Improvements

- 4B Half-cent sales tax funds allocated to “Park Improvements”
- Work performed by in-house crews
- Examples: Meadowcreek Park, Bradford Park, Brentwood Park
- Council approved plan
- \$599,500 currently available



4B Funded Park Improvements

- Current plan:
 - Brentwood Park renovation: \$275,000
 - Brown Park renovation: \$175,000
 - Santa Rita Park renovations: \$149,500
- Proposed revised plan:
 - Brentwood Park renovation: \$275,000
 - Unidad Park renovations: \$175,000
 - Santa Rita/Brown Park renovations: \$149,500



4B Funded Park Improvements

- Justifications for plan change:
 - Unidad Park heavily used, especially since Red Arroyo trail added.
 - Unidad Park playground in deteriorating condition.
 - Brown Park much less used.
 - Brown Park seen recent grounds improvements.
 - Brown Park remaining improvements require less effort and funding.
- Option to retain some funds for Brown Park.





Brown Park





Brown Park





Brown Park





Unidad Park





Unidad Park





Unidad Park







City Council

December 6, 2016



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Carl White, Parks and Recreation Director, Parks and Recreation, 325-657-4450

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Consider authorizing the City Manager to negotiate and execute a second amendment to the "Agreement for the Management and Operation of Old Town at El Paseo de Santa Angela" to increase the managed area to allow for the construction of a small chapel designed by Oscar Ruffini, and to negotiate and execute all related documents - (Presentation by Parks and Recreation Director Carl White)

Summary/History:

The San Angelo Old Town Conservancy, Inc. (Conservancy) entered into agreement with the City in 1997 to lease property for the purpose of creating Old Town. The Conservancy has been responsible for acquiring, placing and refurbishing all the historic buildings on the property. They lease these buildings to others to generate revenue to maintain Old Town and acquire additional buildings. The City provides landscape maintenance services. The agreement has been amended once, in 2001, to extend the lease to 2032 and to include an additional 10 year term extension. The agreement has been mutually beneficial.

The Conservancy now wishes to place a small chapel designed by Oscar Ruffini, however there is no available space under the existing lease to place this chapel. Staff met with the Conservancy to come up with a solution to place the chapel.

The attached presentation shows the existing property under lease and the proposed location to place the chapel. Because of its small size, it is possible to place it at the point at the intersections of Hardeman Pass, Orient Street and E. Ave. B. This is part of the property acquired about 15 years ago to add additional parking spaces for Santa Fe Crossing and Station 618. This project, to construct the parking area, is funded and moving forward. Placing the chapel at the point of this property appears to be an ideal solution since we are limited in adding parking spaces in the tight space and because it is across the street from and faces Old Town, incorporating the additional property into Old Town. The Conservancy has offered funding to pay for the design and development of the property on which the chapel would sit.

Placing the chapel at the point does well utilize an otherwise unusable piece of property but we have determined that it will likely result in the reduction of the number of parking spaces we can incorporate on the entire property by about 6-9, from about 67. Currently, only 22 spaces are available on the property.

The advantages of incorporating the chapel on the property are that it will well complement Old Town, develop a piece of property difficult to develop and provide some funds from the Conservancy to cover the design and implementation costs of development of the site on which the chapel will sit.

Staff recommends approval of the amendment.

Financial Impact:

There is no cost to the City for approving the amendment to the agreement. In fact, approving this item will add funding from the Conservancy for development of the City property.

In terms of development of the City property, \$175,000 was allocated to abate and demolish the old building (which has been accomplished) and to develop the parking lot. At present, about \$90,000 remains for development.

Other Information/Recommendation:

Attachments:

- | | | |
|----|--|---|
| 1. | Agreement Old Town w Amendment | Agreement Old Town w Amendment.pdf |
| 2. | Amendment 2 Old Town proposed | Amendment 2 Old Town proposed.pdf |
| 3. | Presentation: Old Town and new chapel proposal | Old Town agreement and new chapel proposal.pptx |

Presentation:

PowerPoint

Approvals/Reviews:

- | | |
|----------------|-------------------|
| Carl White | Created/Initiated |
| Theresa James | Approved |
| Anthony Wilson | Approved |
| Julia Antilley | Approved |
| Tina Dierschke | Approved |
| Theresa James | Approved |
| Becky Dunn | Approved |
| Bryan Kendrick | Final Approval |

**AMENDMENT TO THE AGREEMENT
FOR THE MANAGEMENT AND OPERATION OF
OLD TOWN AT EL PASEO DE SANTA ANGELA**

This Amendment to the Agreement for the Management and Operation Of Old Town at El Paseo De Santa Angela entered into on October 1, 1997, by and between the CITY OF SAN ANGELO and SAN ANGELO OLD TOWN CONSERVANCY, INC. is entered into on this the 21st day of August, 2001.

The Term paragraph on Page 2 is amended to read as follows:

2. TERM

- 2.1 The term of this Agreement shall be for thirty-five (35) years, beginning October 1, 1997, and ending on September 30, 2032.
- 2.2 At termination of the primary term, Conservancy shall have the option to renew the Agreement for ten (10) additional, but successive years, under the terms, conditions and covenants contained herein, provided that Conservancy is not then in default of any term, condition, or covenant in this Agreement.

2.2.1 Conservancy shall exercise the option to renew this Agreement by notifying City in writing and delivering such writing to City at the address specified in the paragraph 12.3 entitled "NOTICES" at least sixty (60) days prior to the expiration of the primary term of this Agreement.

All of the remaining conditions and clauses of the Agreement for the Management and Operation Of Old Town at El Paseo De Santa Angela to the extent not changed, altered, or amended by this instrument shall remain in full force and effect in all respects and are hereby ratified by the parties hereto.

EXECUTED in duplicate originals on this the 21st day of August, 2001.

CITY OF SAN ANGELO, Texas

By: _____

Rudy Izzard, Mayor

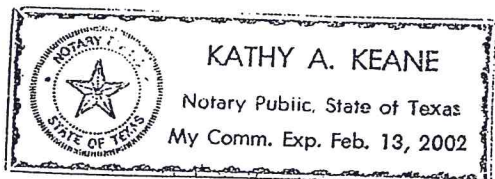
ATTEST:

By: _____

Kathy Keane, City Clerk

THE STATE OF TEXAS §
COUNTY OF TOM GREEN §

This instrument was acknowledged before me on the 21st day of August, 2001, by Rudy Izzard, as Mayor of THE CITY OF SAN ANGELO, a Texas municipal corporation on behalf of said corporation.



Kathy A. Keane
Notary Public, State of Texas

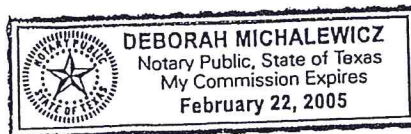
OLD TOWN CONSERVANCY, INC.

Margaret Mallard
By: Margaret Mallard
It's: vice-president

THE STATE OF TEXAS §
COUNTY OF TOM GREEN §

This instrument was acknowledged before me on the 28th day of August, 2001, by Margaret Mallard (name), Vice President (title) of OLD TOWN CONSERVANCY, INC., a Texas non-profit corporation on behalf of said corporation.

Deborah Michalewicz
Notary Public, State of Texas



**AGREEMENT FOR THE MANAGEMENT AND OPERATION OF
OLD TOWN AT EL PASEO DE SANTA ANGELA**

This Agreement is entered into this 1st day of OCT., 1997, by and between THE CITY OF SAN ANGELO, a Texas home rule municipal corporation, acting by and through its duly authorized Mayor, hereinafter known as "City", whose address is 72 West College, P.O. Box 1751, San Angelo, Texas 76902, and SAN ANGELO OLD TOWN CONSERVANCY, INC., a Texas non-profit corporation duly incorporated under and by virtue of the laws of the state of Texas acting by and through its duly elected President, hereinafter known as "Conservancy", whose address is 4705 Timber Ridge, San Angelo, Texas 76904.

WITNESSETH:

WHEREAS, Conservancy is dedicated to promoting and fostering the preservation of the architecture, history and culture of San Angelo, Texas and West Texas generally; and

WHEREAS, Conservancy seeks to promote community pride by preserving and rehabilitating areas of historic and/or architectural significance as well as buildings of historic and/or architectural significance; and

WHEREAS, City owns and has developed El Paseo de Santa Angela for the benefit and enjoyment of the people of San Angelo; and

WHEREAS, City wishes to utilize a portion of El Paseo de Santa Angela for development of Old Town, an area where historic buildings will be relocated, rehabilitated and leased to individual tenants for business and professional use; and

WHEREAS, Conservancy is willing to procure, preserve, restore, manage, operate and lease buildings of historic and/or architectural significance in Old Town at El Paseo de Santa Angela; and

WHEREAS, it is the desire of City to cooperate with Conservancy in this worthwhile civic enterprise;

NOW THEREFORE, for and in consideration of the cultural, educational and historical services made available to all citizens of the City of San Angelo by Conservancy, and the covenants of these parties as stated herein, the parties agree that City hereby leases to Conservancy the tracts of land situated in El Paseo de Santa Angela known as Old Town, all of which property is located in Tom Green County, Texas and more particularly described and identified in Exhibit "A", attached hereto and incorporated herein by reference for all purposes and hereinafter known as "Premises".

1. CONSIDERATION

- 1.1 Amount. Rental for the Premises shall be the sum of One Dollar (\$1.00) per year paid in advance for the entire term beginning 10-1 1997, and ending 9-30, 2017, and shall be the total sum of twenty dollars (\$20.00).
- 1.2 Place of Payment. Said payment shall be made to the Finance Department of the City of San Angelo, P.O. Box 1751, San Angelo, Texas 76902.
- 1.3 Additional Consideration. Conservancy will expend funds to relocate and rehabilitate buildings that will be placed on Premises and further agrees to the duties listed in Section 3.

2. TERM

- 2.1 The term of this Agreement shall be for twenty (20) years, beginning 10-1-97, and ending on 9-30-2017.

3. DUTIES OF CONSERVANCY

- 3.1 Conservancy shall secure gifts of historic buildings, relocate them on Premises, rehabilitate, restore and structurally maintain them for use and occupancy by businesses and professional tenants.
- 3.2 Conservancy shall pass clear right, title and interest of all buildings to city without reservation after the reconstruction and restoration phase of each building has been completed and at such time as the building has been approved and accepted by formal Resolution of the City Council.
- 3.3 Conservancy shall be solely responsible for acquiring and distributing all funds necessary for acquisition, relocation, restoration, transfer of title to City and structural maintenance of historic buildings to be located on Premises.
- 3.4 Conservancy shall lease historic buildings in Old Town pursuant to Management and Operational Policies established by Conservancy and approved by City.
- 3.5 Conservancy shall report annually to City on the status of Premises including developments which have occurred during the past year and developments which are planned for the coming year.

- 3.6 Conservancy shall provide insurance coverages pursuant to §9 below.
- 3.7 Any funds collected by Conservancy from the use of Premises shall be used to maintain such Premises, obtain and rehabilitate additional buildings and pay operating expenses.
- 3.8 Conservancy shall operate Old Town for the benefit of the public, and Old Town shall remain open to the public so far as possible.

4. DUTIES OF CITY

- 4.1 City shall provide insurance coverages pursuant §10 below.
- 4.2 City shall install and maintain landscaping, sprinkler systems, exterior lighting and walkways to the extent recommended by the Director of Recreation ("Director" herein).
- 4.3 City shall provide water and sewer taps and accompanying meters where appropriate.
- 4.4 City shall provide security to the extent recommended by the Director.

5. USE OF PREMISES

- 5.1 Use. Premises shall be used by Conservancy only for activities associated with procuring, preserving, restoring, rehabilitating, managing, operating and leasing buildings of historic and/or architectural significance in Old Town at El Paseo de Santa Angela in accord with its Management and Operational Policies and for uses normally incident thereto and for no other purpose provided, however, Conservancy may lease buildings to business and professional tenants so long as the proceeds from such leases are used as set out in Section 3.7 of this Agreement.

- 5.2 Termination.

- 5.2.1 In the event Conservancy shall (1) abandon the premises or (2) default in performance of any of the covenants or conditions required herein to be kept and performed by Conservancy, City shall have the right to terminate this Lease.

- 5.2.2 City will give Conservancy thirty (30) days written notice of its intention to terminate the Lease, and Conservancy will have such thirty (30) days within which to cure such default and thereby avoid termination.

- 5.3 Waiver. No waiver by City of a breach of any of the obligations of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other obligation herein contained.

6. **CONDITION OF PREMISES**

- 6.1 No Warranty. CITY GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR ANY IMPROVEMENTS THEREON, INCLUDING WARRANTY OF HABITABILITY OR FITNESS FOR A PARTICULAR USE.
- 6.2 Permits. Any permit for improvement to the property under this Agreement must comply with the terms of this Agreement, with the Building, Electrical, Mechanical and Plumbing Codes of the City of San Angelo, with other ordinances of the City of San Angelo, and with the laws of the State of Texas, so far as one or more of them may be applicable.
- 6.3 Maintenance. Conservancy agrees to keep and maintain any and all structures in place, erected or caused to be erected or placed on the Premises in good and tenantable condition and appearance, and further agrees to keep said Premises in a neat, clean and respectable condition by prompt removal of all trash, litter, debris and junk, and will keep said Premises cleared of all objectionable matter.
- 6.4 Failure to Maintain. In the event Conservancy shall fail to keep said Premises in a manner acceptable to the City of San Angelo, then the City Council, after reasonable notice and hearing, shall have the power and express authority to cause or require the Premises to be cleaned, cleared or repaired, and Conservancy expressly authorizes the cost of any such cleaning, clearing or repairing to be added to the annual rental payment with interest at the rate of ten (10) percent per annum beginning thirty (30) days from the date on which the work was completed, until such cost is paid in full.
- 6.5 Force Majeure. In the event that performance by Conservancy or City of any of its obligations under the terms of the Agreement shall be interrupted or delayed by an act of nature, by acts of war, riot, or civil commotion, by an act of State, by strikes, fire, flood, or by the occurrence of any other event beyond the control of the parties hereto, that party shall be excused from such performance for such period of time as is reasonably necessary after such occurrence abates for the effects thereof to have dissipated.

7. LIMITATIONS OF CONSERVANCY ON PREMISES

- 7.1 Reservations. City, its agents or assigns, reserves the privilege and right at any time to execute and deliver valid oil, gas and other mineral leases upon the Premises, valid right-of-way easements for gas, oil or water pipelines, telephone, telegraph, or electric pole transmission lines on said Premises, or any part thereof, and in such event this Agreement shall be subject and subordinate to the rights, terms and privileges of any such oil, gas and other mineral lease or such easements as may have been executed heretofore or hereafter by City, its agents or assigns.
- 7.2 Easements. An easement across the Premises is hereby retained by City for the purpose of laying sewer and water lines and/or for necessary rights-of-way for roads, alleys or other throughways.
- 7.3 No Assignment or Subletting. Conservancy will not assign or sublet this Agreement, in whole or in part, without the written consent of City and according to the Management and Operational Policies.
- 7.4 No Encumbrances. Conservancy shall not have the right to encumber the Premises leased hereunder without the consent of the City Council of the City of San Angelo; provided however, this provision shall not prohibit Conservancy from encumbering its personal property which may be removed from the realty without injury to the realty.
- 7.5 City's Right to Enter. At all times during the term of the Agreement, City or its agents shall have the right to enter said Premises during reasonable hours for the purpose of examining and inspecting the same and determining whether Conservancy shall have complied with all of its obligations hereunder in respect to all the terms and conditions of this Agreement.

8. DEBTS RELATED TO PREMISES

- 8.1 Taxes. Conservancy shall pay and discharge all taxes, general and special assessments, and other charges of every description which during the term of this Agreement may be levied on or assessed against the Premises and all interest therein and all improvements and other property thereon, belonging to Conservancy. Conservancy 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 Conservancy agrees to indemnify and save harmless City from all such taxes, charges and assessments.

- 8.2 Incidental Charges. Conservancy shall pay or cause to be paid all incidental charges, including, but not limited to, permit fees incurred in connection with its operations and use of the Premises.
- 8.3 Utilities. Conservancy shall pay or cause to be paid all charges for water, sewer, gas, electricity, telephone, trash pick-up, cable and any and all other utilities used on the Premises throughout the term of this Agreement, including any connection fees.

9. COVERAGES BY CONSERVANCY

- 9.1 Indemnification. Conservancy agrees to indemnify and hold City, its Councilmembers, officers, agents and employees free and harmless from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of Conservancy or City, by reason of death or injury to persons, or loss or damage to property, resulting from Conservancy's operation hereunder, or sustained in or upon the Premises, or as a result of anything claimed to be done or admitted to be done by Conservancy hereunder.

- 9.2 Insurance. Conservancy shall require contractors and/or tenants to obtain and maintain continuously in effect at all times during the term hereof, minimum comprehensive general liability insurance with the City of San Angelo named as an additional insured. Conservancy shall purchase general liability insurance for all special events held on the Premises by Conservancy.

9.2.1 Amount of Policy. The amount shall be in at least the following coverages:

\$ 500,000.00	Each Occurrence
\$1,000,000.00	General Aggregate
\$ 100,000.00	Property Damage
\$ 5,000.00	Medical

9.2.2 Type of Policy. This insurance shall be an occurrence-type policy written in comprehensive form and shall protect City against liability which may accrue against City by reason of Conservancy's wrongful conduct incident to the use of the Premises, resulting from any accident occurring on or about the Premises.

9.2.3 Named Insureds. All insurance policies required herein shall be drawn in the name of Conservancy, with City, its Councilmembers, partners, officers, directors, agents, consultants, guests and invitees as additional insureds.

9.2.4 Certificates of Insurance. Conservancy shall furnish City with certificates of insurance as evidence that all of the policies required herein are in full force and effect and provide the required coverages and limits of insurance.

9.2.4.1 Contents of Certificates. All certificates of insurance shall clearly state that all applicable requirements have been satisfied including certification that the policies are of the "occurrence" type.

9.2.4.2 Notices for Certificates. The certificates shall provide that any company issuing an insurance policy shall provide to City not less than a thirty (30) day advance notice in writing of cancellation, non-renewal or material change in the policy of insurance. In addition, Conservancy and Insurance Company shall immediately provide written notice to City upon receipt of notice of cancellation of any insurance policy, or of a decision to terminate or alter any insurance policy. Certificates of insurance for City shall be mailed in accordance with the notice provisions of this Agreement.

9.3 Waiver of Subrogation. Conservancy shall require its insurance carrier, with respect to all insurance policies, to waive all rights of subrogation against City, its Councilmembers, officers, agents and employees.

9.4 Conservancy's Liability. The procuring of such policy of insurance shall not be construed to be a limitation upon Conservancy's liability or as a full performance on its part of the indemnification provisions of this Agreement. Conservancy's obligations are, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at or upon the Premises.

10. COVERAGES BY CITY

10.1 City shall provide property insurance for all buildings placed upon City property, provided however, Conservancy must give written notice to City of such placement.

10.2 City shall provide liability insurance for the (name of bathroom) building.

11. SURRENDER OF PREMISES

- 11.1 Restoration. The Premises and any improvements and fixtures shall remain the property of City and shall be restored to possession of City in good condition (reasonable wear and tear, acts of nature, or casualties associated with civil disorders or military activities excepted).
- 11.2 Delivery. Conservancy agrees to promptly and peacefully deliver possession of the Premises and improvements to City upon termination of this Agreement.
- 11.3 Abandoned Property. All items of personal property, remaining in or on the Premises after the expiration of sixty (60) days following the termination of this Agreement shall be deemed abandoned by Conservancy and shall become the property of City.

12. MISCELLANEOUS

- 12.1 Invalid or Illegal Provisions. If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intent of the parties that the remainder of this Agreement shall not be affected. It is also the intent of the parties to this Agreement that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there are added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible to be legal.
- 12.2 Terms of the Essence. IT IS FURTHER UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO THAT EACH AND EVERY TERM, STIPULATION AND RESTRICTION CONTAINED HEREIN IS OF THE ESSENCE TO THIS AGREEMENT, THE VIOLATION OF WHICH SHALL ENTITLE CITY, AT ITS OPTION, TO TERMINATE THIS AGREEMENT. FAILURE TO EXERCISE SUCH OPTION AT ANY TIME SHALL NEVER BE CONSTRUED AS A WAIVER OF ANY CONDITION OF THIS AGREEMENT.
- 12.3 Notices. Any notice or demand that either party desires or is required to be given by this Agreement shall be in writing and shall be deemed sufficient if sent by United States certified mail, return receipt requested, postage prepaid to the following:

If to City: City of San Angelo
P.O. Box 1751
San Angelo, Texas 76902
Attn: City Manager

If to Conservancy: San Angelo Old Town Conservancy, Inc.
4705 Timber Ridge
San Angelo, Texas 76904
Attn: President

- 12.4 Amendments. No modification of this Agreement shall be binding unless it be in writing and executed in due form by all of the parties hereto.
- 12.5 Easements and Restrictions. Conservancy takes this Agreement and the Premises subject to all recorded easements and restrictions affecting the occupation and use thereof, and subject to all statutes, ordinances and regulations of competent governmental authority affecting the occupancy and use thereof, and the construction and maintenance of improvements thereof.
- 12.6 Headings. The paragraph headings contained herein are for convenience and reference and are not intended to define, extend or limit the scope of any provisions of this Agreement.
- 12.7 Interpretation/Venue. This agreement shall be construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Tom Green County, Texas.
- 12.8 Anti-Discrimination. Conservancy agrees that it will not violate any federal, state or local civil rights or discrimination laws. A finding of violation of any such laws by a trial court or appropriate state or federal agency is a material breach of this agreement which may result in the termination of the agreement or such other remedy as City may deem appropriate.
- 12.9 Compliance with ADA. Conservancy agrees to comply fully with the provisions of the Americans with Disabilities Act and to make any and all buildings, displays, events or activities on the Premises accessible to individuals with disabilities.
- 12.10 Hold Over. It is distinctly understood and agreed by and between City and Conservancy that any holding over by Conservancy of the herein demised Premises after the expiration of this Agreement shall operate and

be construed only as a tenancy from month to month, terminable at the will of City.

12.11 Entire Agreement. The Agreement constitutes the entire agreement between the parties hereto, and City is not bound by any agreement, stipulation or representation made by any agent, employee or official of City.

EXECUTED in duplicate originals on this the 16TH day of SEPT., 1997.

CITY OF SAN ANGELO, Texas

By:

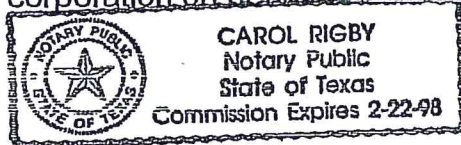
Johnny Fender, Mayor

ATTEST:

Carol Rigby
Carol Rigby, City Clerk

THE STATE OF TEXAS)
COUNTY OF TOM GREEN)

This instrument was acknowledged before me on the 16TH day of SEPT, 1997, by Johnny Fender, Mayor of the CITY OF SAN ANGELO, a Texas Municipal corporation on behalf of said corporation.



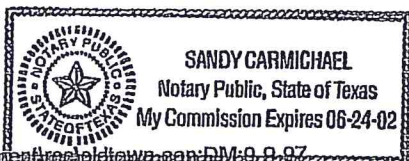
Carol Rigby
Notary Public, State of Texas

OLD TOWN CONSERVANCY, INC.

Bob Pfluger
By: Bob Pfluger
Its: President

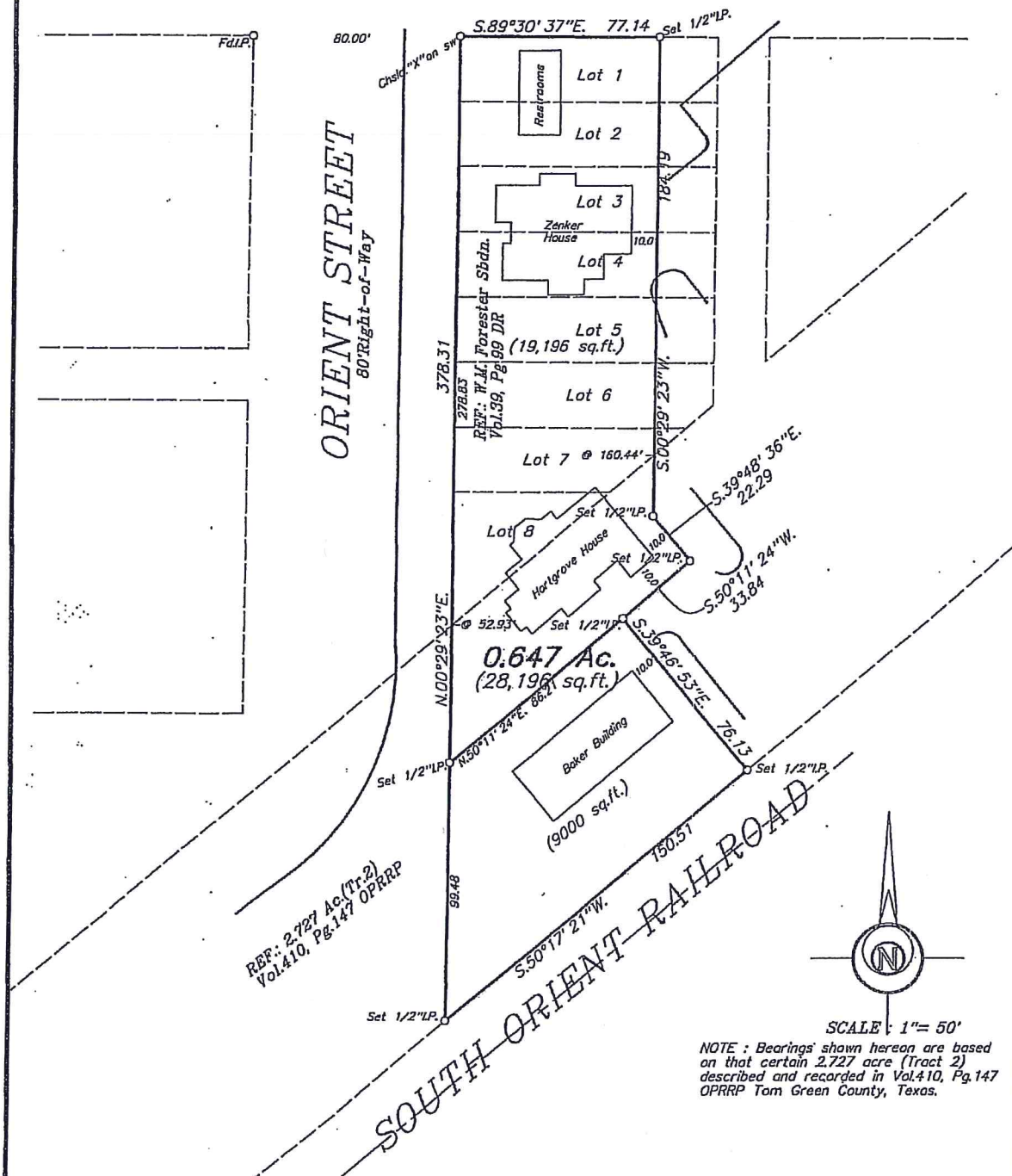
THE STATE OF TEXAS)
COUNTY OF TOM GREEN)

This instrument was acknowledged before me on the 9TH day of NOVEMBER, 1999, by Bob Pfluger, President of Old Town Conservancy, Inc., a Texas non-profit corporation, on behalf of said corporation.



Sandy Carmichael
Notary Public, State of Texas

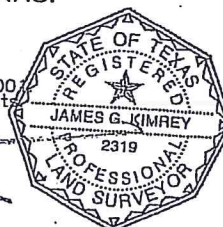
AVENUE A
80' Right-of-Way



PLAT SHOWING A SURVEY OF 0.647 ACRE (28,196 SQ.FT.)
OUT OF W.M. FORRESTER SUBDIVISION AND THAT
CERTAIN 2.727 ACRE TRACT (TRACT 2) DESCRIBED
AND RECORDED IN VOLUME 410 PAGE 147 OFFICIAL PUBLIC
RECORDS OF REAL PROPERTY, TOM GREEN COUNTY,
CITY OF SAN ANGELO, TOM GREEN COUNTY, TEXAS.
See attached metes and bounds description.

Surveyed on the ground under my supervision September 28, 2001
REVISED - 10/08/2001 to show 19,196 sq.ft. & 9000 sq.ft. Tracts

[Signature]
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 2319



FIELD NOTES

9,000 Square Feet

October 8, 2001
01-A-1197b

Being an area of 9,000 square feet of land out of Fisher and Miller Survey 173, City of San Angelo, Tom Green County, Texas and also being our of that certain 2.727 acre tract (Tract 2) by Quitclaim dated November 15, 1993, and recorded in Volume 410, Page 147, Official Public Records of Real Property of Tom Green County, Texas and said 9,000 square feet tract being more particularly described by metes and bounds as follows;

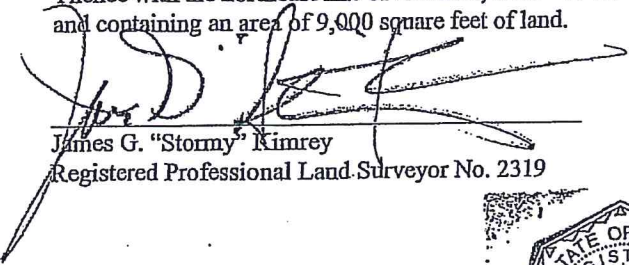
Beginning at a ½" iron pipe set for the east or southeast corner of this tract and being in the southeast line of said 2.727 acre tract, 320.39 feet S. 50° 17' 21" W. from the southeast corner of said 2.727 acre tract and being in the northwest line of South Orient Railroad right-of-way;

Thence with the southeast line of this tract and said 2.727 acre tract and the northwest line of said South Orient Railroad right-of-way line, S. 50° 17' 21" W. 150.51 feet to a ½" iron pipe set for the south or southwest corner of this tract;

Thence with the west line of this tract and across said 2.727 acre tract, N. 00° 29' 23" E. 99.48 feet to a ½" iron pipe set for the northwest corner of this tract and the southwest corner of certain 19,196 square feet tract;

Thence with the northwest line of this tract and the southeast line of said 19,196 square feet tract, N. 50° 11' 24" E. 86.21 feet to a ½" iron pipe set for the north or northeast corner of this tract;

Thence with the northeast line of this tract, S. 39° 46' 53" E. 76.13 feet to the place of beginning and containing an area of 9,000 square feet of land.


James G. "Stormy" Kimrey
Registered Professional Land Surveyor No. 2319



FIELD NOTES

19,196 Square Feet

October 8, 2001
01-A-1197a

Being an area of 19,196 Square Feet of land out of the west part of Lot 1 through 7, all of Lot 8, W. M. Forrester Subdivision, City of San Angelo, Tom Green County, Texas as per plat recorded in Volume 39, Page 99, Deed Records of Tom Green County, Texas and out of that certain 2.727 acre tract (Tract 2) out of Fisher and Miller Survey 173 and described by Quitclaim dated November 15, 1993, and recorded in Volume 410, Page 147, Official Public Records of Real Property of Tom Green County, Texas and said 0.647 acre tract being more particularly described by metes and bounds as follows;

Beginning at an "x" on sidewalk for the northwest corner of this tract and said Lot 1 and also being the intersection of the east line of Orient Street and the south line of Avenue A;

Thence with the north line of this tract and said Lot 1 and the south line of said Avenue A, S. 89° 30' 37" E. 77.14 feet to a ½" iron pipe set for the northeast corner of this tract;

Thence with the east line of this tract and across said Lot 1, 2, 3, 4, 5, 6, and 7, S. 00° 29' 23" W. at 160.44 feet pass the southeast line of said Lot 7 and the northwest line of said 2.727 acre tract, 249.31 feet S. 50° 17' 21" W. from an angle corner of said 2.727 acre tract, in all a total distance of 184.19 feet to a ½" iron pipe set for an angle corner of this tract;

Thence, S. 39° 48' 36" E. 22.29 feet to a ½" iron pipe set for the southeast corner of this tract;

Thence, S. 50° 11' 24" W. at 33.84 feet pass a ½" iron pipe set for the north or northeast corner of a certain 9,000 square feet tract out of said 2.727 acre tract, in all a total distance of 120.05 feet to a ½" iron pipe set for the southwest corner of this tract and the northwest corner of said 9,000 square feet tract;

Thence with the west line of this tract and across said 2.727 acre tract, N. 00° 29' 23" E. at 52.93 feet pass the northwest line of said 2.727 acre tract and the southwest corner of said Lot 8, and the intersection of the northwest line of said 2.727 acre tract and the east line of said Orient Street, in all a total distance of 278.83 feet to the place of beginning and containing an area of 19,196 square feet of land.

James G. "Stormy" Kimrey
Registered Professional Land Surveyor No. 2319



Proposed

old Town Conservancy
addl. space

**SECOND AMENDMENT TO
AGREEMENT FOR THE MANAGEMENT AND OPERATION OF
OLD TOWN AT EL PASEO DE SANTA ANGELA**

This Second Amendment to Agreement for the Management and Operation of Old Town at El Paseo de Santa Angela ("Second Amendment") by and between The City of San Angelo, Texas, a Texas home-rule municipal corporation situated in Tom Green County, Texas ("City"), and the San Angelo Old Town Conservancy, Inc., a Texas non-profit corporation ("Conservancy"), collectively referred to herein as "the Parties", shall be effective _____, 2016 ("Effective Date").

WHEREAS, City and Conservancy entered into the Agreement for the Management and Operation of Old Town at El Paseo de Santa Angela, dated October 1, 1997 ("Agreement"), pertaining to lease and management of certain property more particularly described in the Agreement; and

WHEREAS, the Agreement provides that it may be amended only by written instrument signed by the Parties; and

WHEREAS, the Agreement was previously amended by written instrument dated August 21, 2001, amending the term of the Agreement; and

WHEREAS, the Parties desire to again amend their Agreement for purposes of including additional property owned by City, for lease and management by Conservancy; and

WHEREAS, by resolution dated _____, 2016, the City Council approved amendment of the Agreement as reflected in this Second Amendment.

NOW THEREFORE, in consideration of the premises, and of the mutual promises, covenants, and agreements of the Parties hereinafter set forth, it is agreed between the Parties that the above described Agreement is amended as follows:

1. The term "Premises" as used in the Agreement shall mean the property and improvements not only described in Exhibit "A" attached to the Agreement, but shall additionally include that property and improvements particularly described and identified in Exhibit "B" attached to this Second Amendment. Exhibit "B" is incorporated into the Agreement for all purposes as of the Effective Date of this Second Amendment.
2. All other provisions of the Agreement not specifically amended by this Second Amendment shall remain in full force and effect throughout the remaining term of the Agreement as amended. In the event of conflict between the Agreement, the First Amendment, and this Second Amendment, the order of precedence shall be this, the Second Amendment, the First Amendment, and then the Agreement.

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed this Second Amendment to Agreement for the Management and Operation of Old Town at El Paseo de Santa Angela on this the ____ day of _____, 2016, to be effective as of the Effective Date above.

**SAN ANGELO OLD TOWN
CONSERVANCY, INC.**

By: _____
Barbara Hesse, President

ATTEST:

_____, Secretary

CITY OF SAN ANGELO, TEXAS

ATTEST:

Daniel Valenzuela, City Manager

Bryan Kendrick, City Clerk

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Carl White, Parks & Recreation Director

Brandon Dyson, Assistant City Attorney



City Council

December 6, 2016





Old Town & New Chapel Proposal

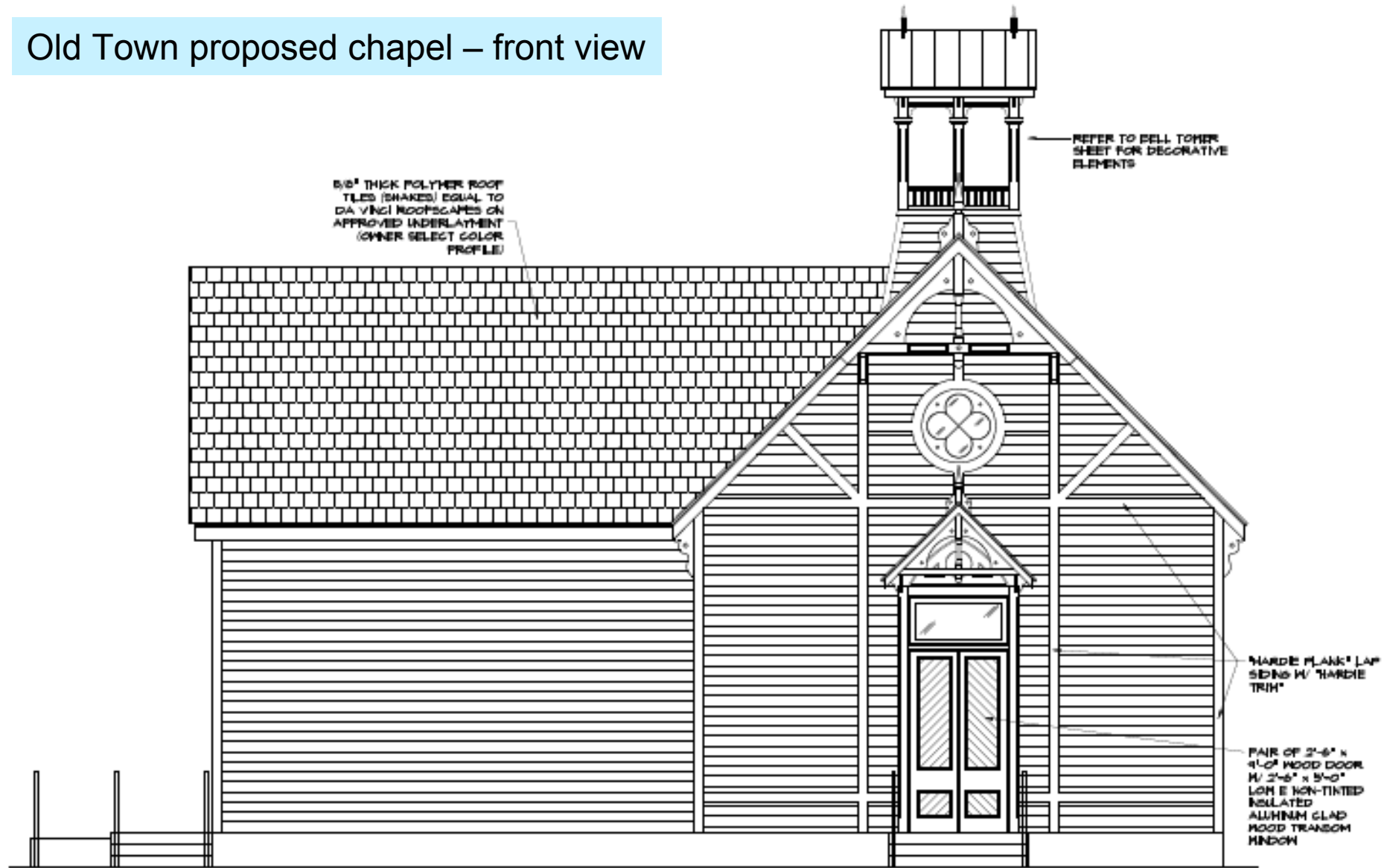
- Existing agreement
- Proposal from Old Town for chapel
- Proposed revised agreement
- Parking area
- Funding and development
- Recommendations



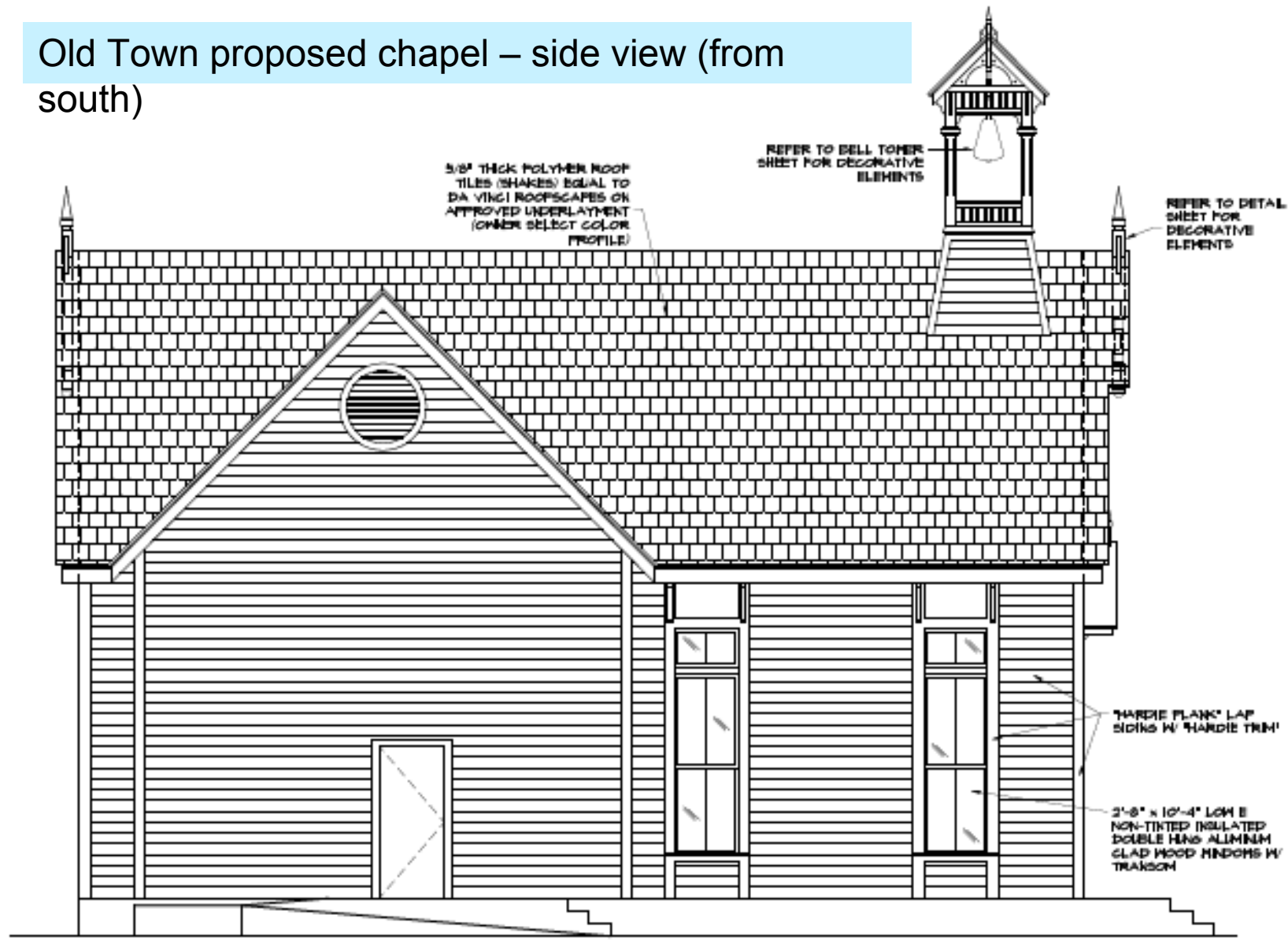
Old Town proposed chapel



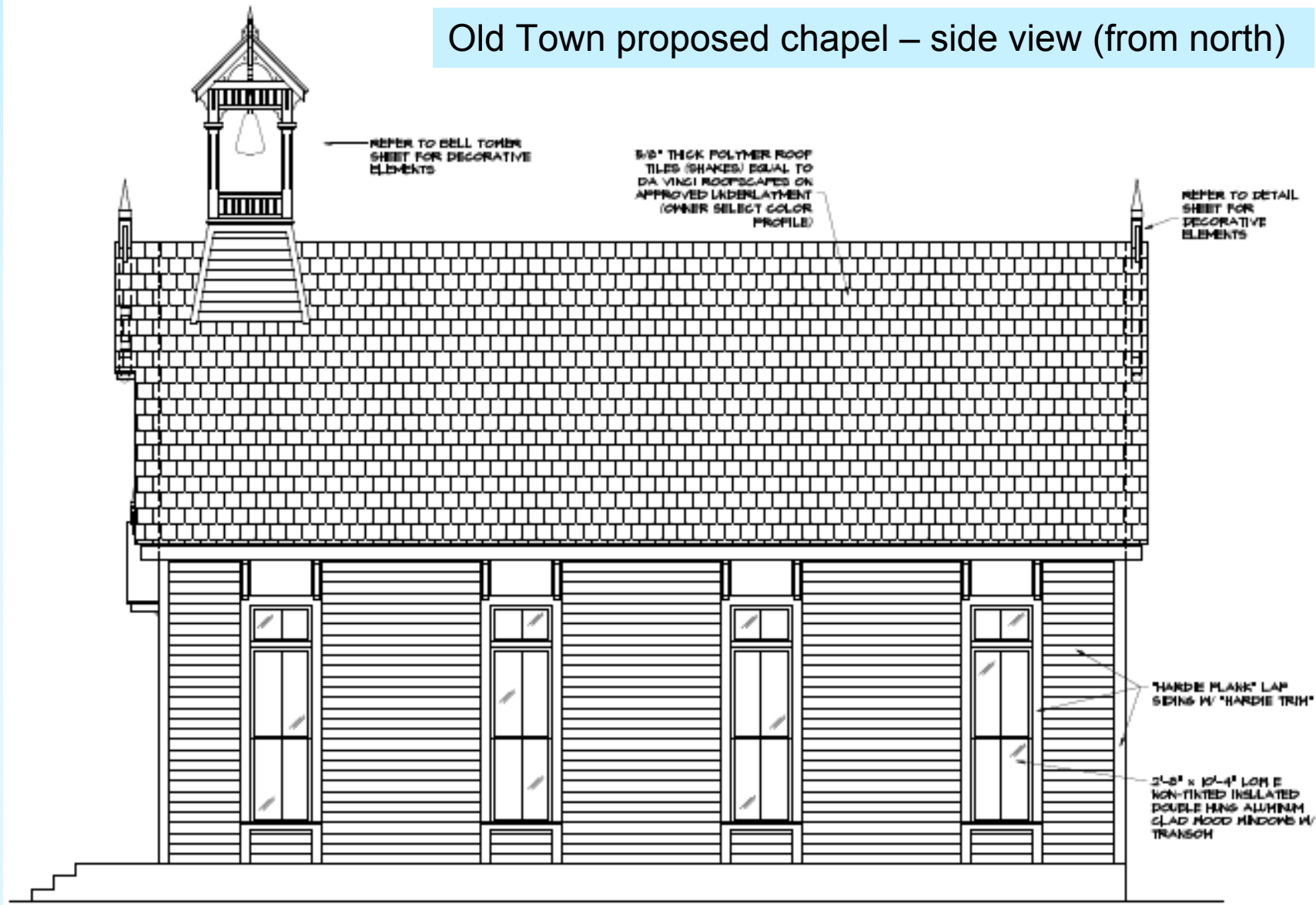
Old Town proposed chapel – front view



Old Town proposed chapel – side view (from south)



Old Town proposed chapel – side view (from north)





City Council

December 6, 2016



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Russell Pehl, City Engineer, Engineering Services, 325-657-4201

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

First reading and public hearing on an Ordinance closing the public hearing on the proposal to assess abutting property and owners for improvements to the Northwest one half of Twin Mountain Drive between April Street and Tarin Street; assessing the cost of constructing such improvements in accordance with Article 4.08 of the City Code of Ordinances; providing the time, terms and conditions of payment and default of such assessment, and prescribing the rate of interest thereon - (Presentation by City Engineer Russell Pehl)

Summary/History:

The segment of street in question is the northern portion of Twin Mountain Drive between April Street and Tarin Street. This segment of the street is only built to its half width of thirty-two (32) feet. Twin Mountain Drive is classified as a minor arterial street which currently is the only street that provides transportation to over one hundred and forty (140) residences. To get to these residences, drivers must begin driving down Twin Mountain Drive, which is at full width of sixty-four (64) feet, from Southwest Boulevard and then bottle neck down to the uncontrolled and undesignated half width. Once past this area, Twin Mountain Drive opens back up to its full width of 64 feet. Currently our traffic department has placed traffic barrels in the west bound lane(s) of Twin Mountain Drive from Tarin Street to the segment of Twin Mountain that is not improved to delineate and bottle neck the traffic down to the half width.

Engineering Services has drafted a set of plans for Twin Mountain Drive to complete its improvements for this segment. The estimate for these improvements is attached.

The owner/developer of the adjacent property and City employees met on September 21, 2016 to discuss the proposed improvements and a proposed agreement between the City of San Angelo and the owner/developer for reimbursement of the improvements to the City when the property is platted in the future. This agreement has dissolved since this discussion.

Legal counsel has indicated one option is to pursue an assessment of the improvements for this property in order to construct the improvements to Twin Mountain Drive and to receive a reimbursement from the owner/developer for up to nine-tenths (9/10) of the estimated construction cost.

Financial Impact:

Total cost of \$75,400 (Source to be determined)

Other Information/Recommendation:

This topic was first discussed in depth by the City one year ago when a council member approached the City with several complaints from citizens about the odd configuration of Twin Mountain Drive. Operations Director Shane Kelton and City Engineer Russell Pehl decided for a set of plans to be made for Twin Mountain Drive to competitively bid out for

improvements.

Neighborhood Vision – This project will help to foster a sense of community; provide adequate amenities for a portion of this neighborhood; ensure safer neighborhood traffic; and attract reinvestment in this area.

Transportation Vision – This project will aid the transportation system by creating safer vehicular travel routes.

Public notification was sent to the developer on November 8, 2016 and three publications were posted in the San Angelo Standard Times on November 13th, 20th and 27th.

Attachments:

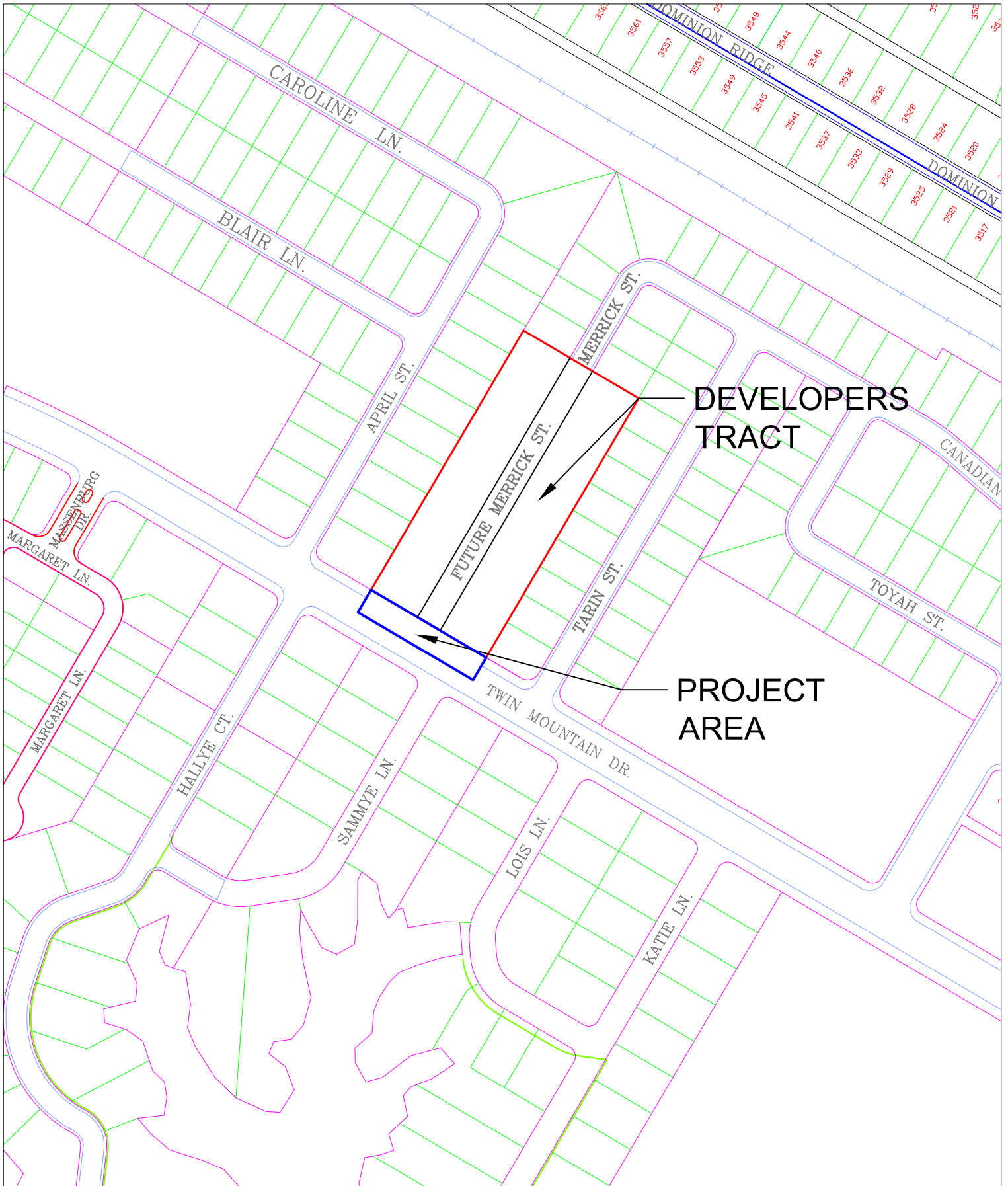
- | | | |
|----|-----------------------|--|
| 1. | Area Map | Map.pdf |
| 2. | Construction Estimate | Twin Mountain Estimate.pdf |
| 3. | Assessment Ordinance | Assessment Ordinance (11-28-16) Final.docx |

Presentation:

Approvals/Reviews:

Russell Pehl	Created/Initiated
Theresa James	Approved
Anthony Wilson	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

EXHIBIT A - MAP



**Twin Mountain Drive-Northern Half Project
City of San Angelo Public Works Department
Engineers Estimate of Probable Construction Cost
October 4, 2016
For Assessment Use**

Street Construction					
Item #	Description	Est. Quantity	Unit	Est. Unit Price	Est. Cost
110 2001	EXCAVATION (ROADWAY)	565	CY	\$15.00	\$8,475.00
247 2240	FLEX BASE (Complete in Place) (TY A GR 2) (12")	283	CY	\$25.00	\$7,075.00
260 2027	LIME TRT (Existing Material) (8")	847	SY	\$6.00	\$5,082.00
310 2005	PRIME COAT (MC-30 OR AE-P)	250	GAL	\$7.00	\$1,750.00
341 6040	D - GR HMA TY - D PG64-22	100	TON	\$143.00	\$14,300.00
529 2004	CONC CURB & GUTTER (TY II)	253	LF	\$30.00	\$7,590.00
500 2001	MOBILIZATION	1	LS	\$10,000.00	\$10,000.00
502 2001	BARRICADES, SIGNS, AND TRAFFIC HANDLING	2	MO	\$4,000.00	\$8,000.00
	8" AWWA C900 CLASS 150 PVC PIPE	87	LF	\$65.00	\$5,655.00
	12" X 8" WET TAP	1	EA	\$1,680.00	\$1,680.00
	TESTING	3	EA	\$250.00	\$750.00
	CONTINGENCY	1		\$5,000.00	\$5,000.00
				Total Est. Cost	\$75,357.00

Roadway Construction Estimate: \$63,022.00

Water Line Improvement Estimate: \$7,335.00

Cost per front footage (255 LF) \$295.52 /LF

AN ORDINANCE OF THE CITY OF SAN ANGELO, TEXAS CLOSING THE PUBLIC HEARING ON THE PROPOSAL TO ASSESS ABUTTING PROPERTY AND OWNERS FOR IMPROVEMENTS TO THE NORTHWEST ONE HALF OF TWIN MOUNTAIN DRIVE BETWEEN APRIL STREET AND TARIN STREET; ASSESSING THE COST OF CONSTRUCTING SUCH IMPROVEMENTS IN ACCORDANCE WITH ARTICLE 4.08 OF THE CITY CODE OF ORDINANCES; PROVIDING THE TIME, TERMS AND CONDITIONS OF PAYMENT AND DEFAULT OF SUCH ASSESSMENT, AND PRESCRIBING THE RATE OF INTEREST THEREON.

WHEREAS, on December 6, 2016, the City Council for the City of San Angelo held a public hearing on the proposal to assess abutting property and owners for improvements to the northwest one half of Twin Mountain Drive between April Street and Tarin Street, consisting of widening the improved surface thereof as depicted on Exhibit "A". The public hearing was conducted at a regular meeting of the City Council, opened to the public pursuant to notice duly posted as required under Chapter 551 of the Texas Government Code. Notice of the public hearing was timely published and mailed by registered letter to abutting property owners as required under City Ordinance, a copy of which is attached hereto as Exhibit "B". All affected property owners and interested persons were provided the opportunity to testify and present evidence before the City Council at the hearing; and

WHEREAS, at its regular meeting on November 1, 2016, the City Council approved a resolution that found a public necessity for the proposed street improvements; approved the improvement specifications prepared by the City Engineer as depicted on Exhibit "B"; approved the City Engineer's Estimate of Construction Cost for such improvements as detailed on Exhibit "C", attached hereto and incorporated herein by reference; and set a public hearing on the proposed assessment; and

WHEREAS, the proceedings with reference to the making of such improvements to Twin Mountain Drive have been regularly had, in compliance with law, and all prerequisites to the fixing of an assessment lien against the abutting property and its owners have been satisfied; and

WHEREAS, the City Council has closed the public hearing on the proposal to assess the abutting property and its owners for the cost of such improvements; has determined that the abutting property and its owners should be assessed the amount of _____ (\$_____) per front foot for the construction of the improvements; and has found that such assessment would not exceed the special benefits to the abutting property and its owners by virtue of the enhanced value resulting from such improvements; and

WHEREAS, the City Council now desires to adopt an ordinance closing such public hearing and assessing the cost of such improvements in accordance with Chapter 313 of the Texas Transportation code and Article 4.08 of the City of San Angelo Code of Ordinances;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS;

Section 1. The findings contained in the preamble to this Ordinance are adopted by the City Council, and determined to be true and correct.

Section 2. The public hearing on the proposal to assess abutting property and its owners for improvements to Twin Mountain Drive as provided herein is hereby closed.

Section 3. Of the Proposed Assessment Amount of \$67,821.30 listed on Exhibit "C", the abutting property and its owners shall be assessed the total amount of _____ (\$_____), at the rate of _____ (\$_____) per front foot.

Section 4. Sierra Vista Construction, Inc., a Texas corporation, is found to be the sole record owner of the property abutting the improvements to Twin Mountain Drive, as reflected in the Tom Green County tax rolls. The abutting property is fully described on Exhibit "C". Therefore, the abutting property and Sierra Vista Construction, Inc. shall be obligated for one hundred percent of the total assessed amount described in Section 3 above.

Section 5. Such assessment shall become due and payable _____ (____) days after the acceptance of the improvements by the City; however, the abutting property owner may pay the assessment in equal annual installments for _____ years. All assessment installments which are not paid when due shall bear interest at the rate of _____ percent (____%) per annum.

Section 6. The assessment set forth herein, together with interest as herein provided, are hereby declared to be a first and prior lien upon the abutting property, superior to all other liens and claims except liens for ad valorem taxes, and a personal liability and charge against the owner(s) thereof. The assessment shall not be made to mature until the date of the City's acceptance of the improvements as provided in Section 313.048(d)(2) of the Texas Transportation Code.

Section 7. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, or for any reason unenforceable, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, or regulation of this Ordinance.

Section 8. That this Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the 6th day of December, 2016, and finally PASSED, APPROVED
AND ADOPTED on this the ____ day of _____, 2016.

CITY OF SAN ANGELO, TEXAS

Dwain Morrison, Mayor

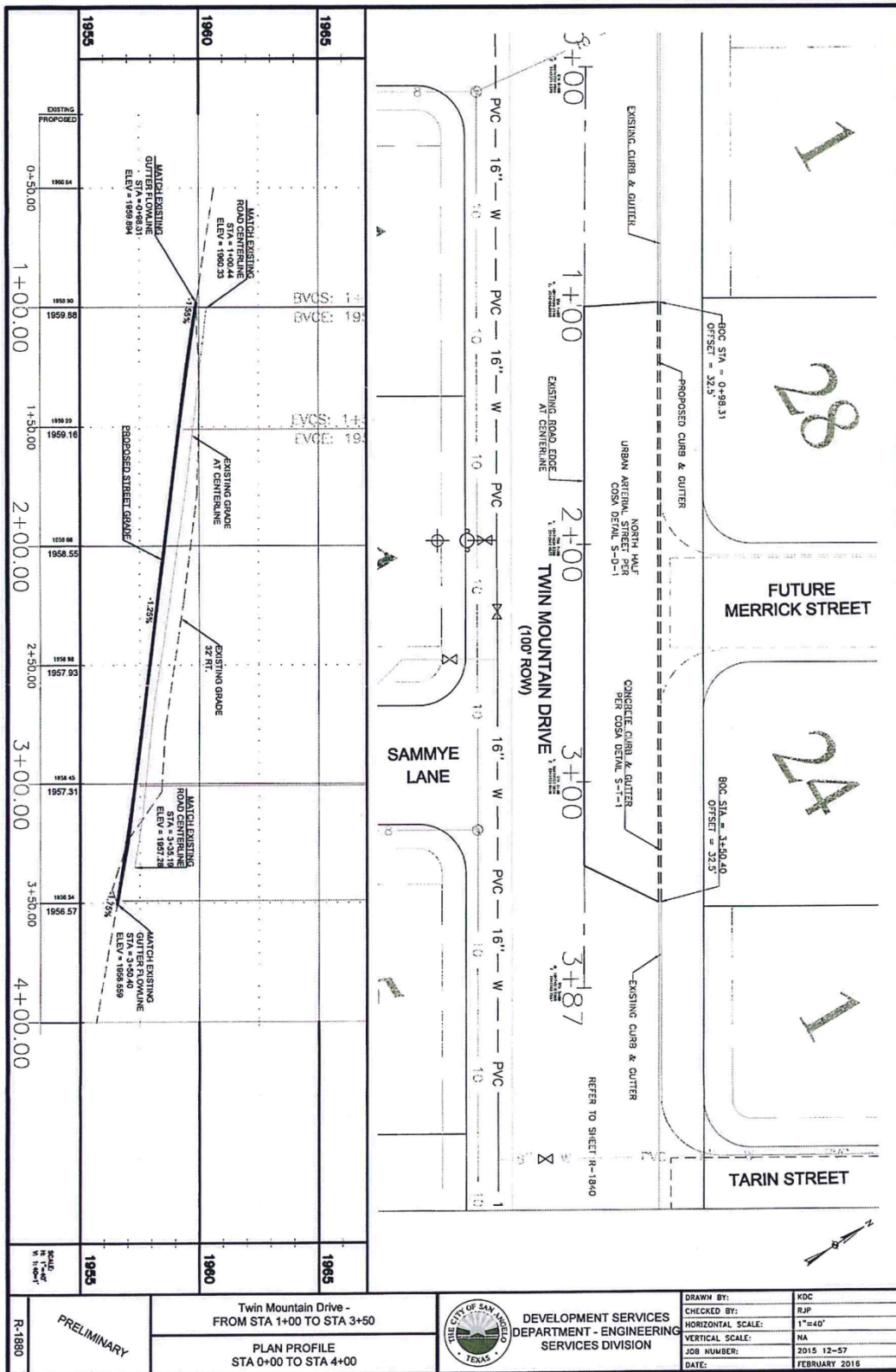
ATTEST:

Bryan Kendrick, City Clerk

APPROVED AS TO FORM:

Theresa James, City Attorney

EXHIBIT “A”
IMPROVEMENT AREA SPECIFICATIONS
(Following Pages)



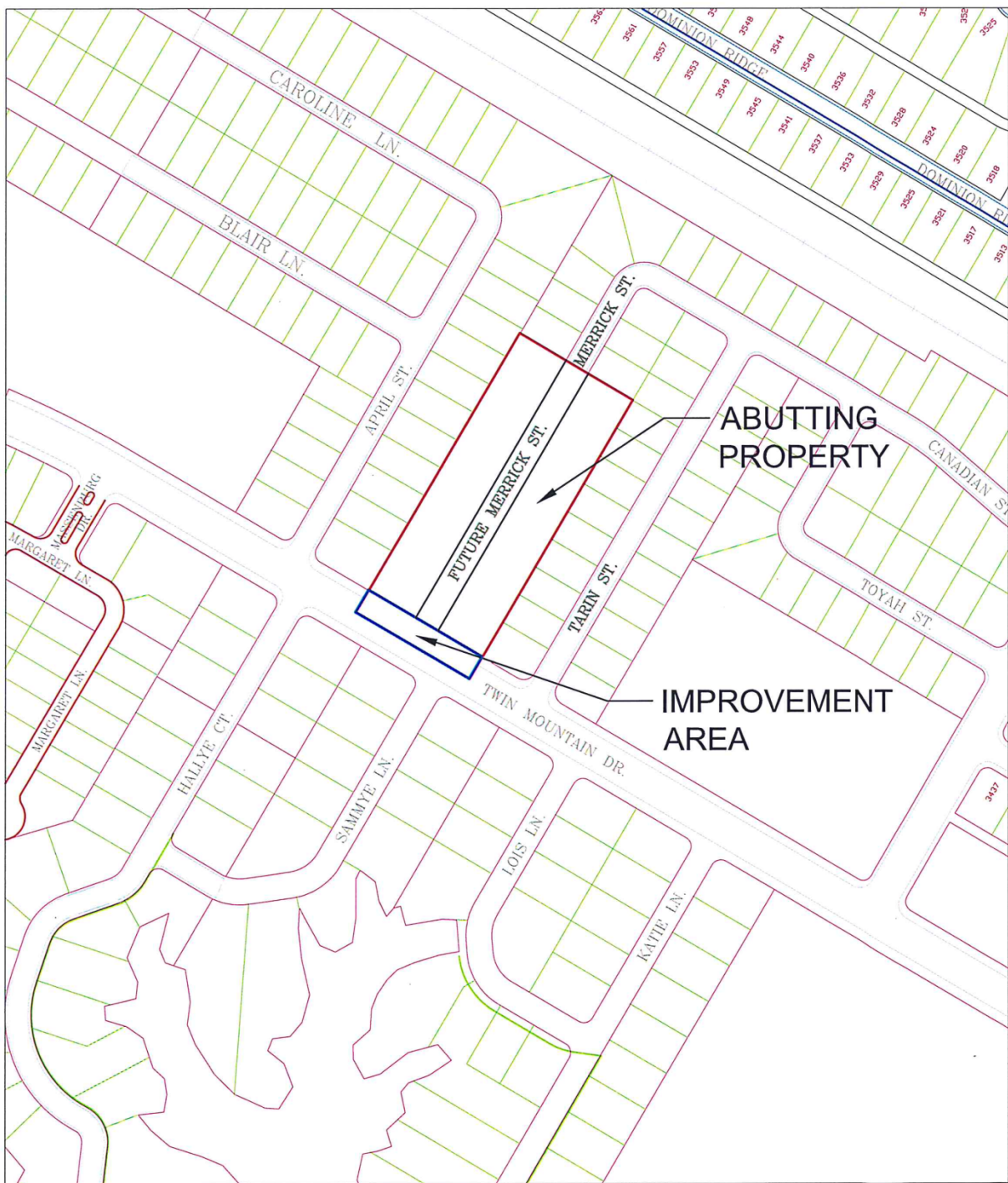


EXHIBIT “B”
NOTICE OF PUBLIC HEARING ON
ASSESSMENT ORDINANCE

NOTICE OF PUBLIC HEARING ON ASSESSMENT ORDINANCE CITY OF SAN ANGELO, TEXAS. DATE, TIME AND PLACE OF THE PUBLIC HEARING: Notice is hereby given that the City Council of the City of San Angelo, Texas (the "City Council" and the "City"), will conduct a public hearing: (i) on Tuesday, December 6, 2016, at 8:30 a.m. at the McNease Convention Center, 501 Rio Concho Dr., South Meeting Room – Room C, San Angelo, Texas, (ii) for the purpose of considering an ordinance that will levy assessments for financing street improvements to the north side of Twin Mountain Drive between April Street and Tarin Street. **GENERAL NATURE OF THE IMPROVEMENTS:** The general nature of the street improvements being undertaken by the City for the special benefit of the property abutting Twin Mountain Drive consist of widening a segment of the street from its current thirty-two foot half width to its intended full width of sixty-four feet. **COST OF THE IMPROVEMENTS:** The estimated cost of the street improvements to Twin Mountain Drive is \$75,357.00 (~\$295.52 per linear foot). In accordance with Chapter 313 of the Texas Transportation Code and Article 4.08 of the San Angelo Code of Ordinances, the amount proposed to be assessed against property abutting Twin Mountain Drive is \$67,821.84 (~\$265.96 per linear foot). **PROPERTY ABUTTING STREET IMPROVEMENTS:** Trinity West, Section Three (3), City of San Angelo, Tom Green County, Texas: *Being 3.353 acres out of and part of that certain 10.872 acre tract described by deed recorded as Instrument No. 716893, Official Public Records of Real Property of Tom Green County, Texas, and being 0.034 acres out of the C.A. Voight Survey 181, Abstract No. 3931, and 3.319 acres out of G. Maurer Survey 182, Abstract No. 1649, City of San Angelo, Tom Green County, Texas.* **OWNER OF ABUTTING PROPERTY:** Sierra Vista Construction, Inc., a Texas corporation, as reflected by the Tom Green County tax rolls. **PUBLIC HEARING COMMENTS:** Written or oral objections on the proposed assessment shall be considered by the City Council at the public hearing.

(Following page continues Exhibit “B”)

Standard-Times

Sales Rep: Mellissa Patino (S9104)



Phone: (325) 659-8328

Email: mellissa.patino@gosanangelo.com

> Advertising Receipt

Account Information

Date: 11/08/16
 Account Number: 250888 / S600332
 Company Name: COSA - PURCHASING DEPARTMENT
 Contact Name:
 Email: SAPurch@cosatx.us
 Address: 72 WEST COLLEGE AVENUE, SAN ANGELO, TX, 76903-1751
 Phone: (325) 657-4219 Fax:

Ad Information

Ad Id: 1349737 Ad Class: 16250
 Publications: SS-San Angelo Standard-Times, SS-Internet-go sanangelo.com
 Start Date: 11/13/16 Stop Date: 11/27/16
 No. of Inserts: 3 Total Cost: \$780.00
 Columns Wide: 1 No. of Lines: 65
 Total Cost: \$780.00

Payments

METHOD	CARD TYPE	NAME ON CARD	LAST 4 DIGITS	EXPIRE DATE	CHECK NUMBER	AMOUNT PAID
CC	MC		1664			\$780.00
TOTAL COST						\$780.00
PAID AMOUNT						\$780.00
AMOUNT DUE						\$0.00

Copy of Ad

NOTICE OF PUBLIC HEARING ON ASSESSMENT ORDINANCE CITY OF SAN ANGELO, TEXAS. DATE, TIME AND PLACE OF THE PUBLIC HEARING: Notice is hereby given that the City Council of the City of San Angelo, Texas (the "City Council" and the "City"), will conduct a public hearing (i) on Tuesday, December 6, 2016, at 8:30 a.m. at the McLeese Convention Center, 501 Rio Concho Dr., South Meeting Room - Room C, San Angelo, Texas, (ii) for the purpose of considering an ordinance that will levy assessments for financing street improvements to the north side of Twin Mountain Drive between Apple Street and Twin Street GENERAL NATURE OF THE IMPROVEMENTS: The general nature of the street improvements being undertaken by the City for the special benefit of the property abutting Twin Mountain Drive consist of widening a segment of the street from its current duty-two foot half width to its intended full width of duty-four feet. COST OF THE IMPROVEMENTS: The estimated cost of the street improvements to Twin Mountain Drive is \$75,357.00 (-\$295.52 per linear foot). In accordance with Chapter 313 of the Texas Transportation Code and Article 4.08 of the San Angelo Code of Ordinances, the amount proposed to be assessed against property abutting Twin Mountain Drive is \$87,211.41 (-\$335.06 per linear foot). PROPERTY ABUTTING STREET IMPROVEMENTS: Twin West, Section Three (3), City of San Angelo, Tom Green County, Texas. Being 2.353 acres out of and part of that certain 10.872 acre tract described by deed recorded as Instrument No. 716893, Official Public Records of Real Property of Tom Green County, Texas, and being 0.034 acres out of the C.A. Voight Survey 181, Abstract No. 3931, and 3.319 acres out of G. Maurer Survey 182, Abstract No. 1649, City of San Angelo, Tom Green County, Texas. OWNER OF ABUTTING PROPERTY: Sierra Vista Construction, Inc., a Texas corporation, as reflected by the Tom Green County tax rolls. PUBLIC HEARING COMMENTS: Written or oral objections to the proposed assessment shall be considered by the City Council at the public hearing.

**EXHIBIT “C”
CITY ENGINEER’S ESTIMATE OF
CONSTRUCTION COST**

Estimate of Construction Cost: \$75,357.00 (See itemized statement on following page)

Abutting Property Owner: Sierra Vista Construction, Inc., a Texas corporation

Proposed Assessment Amount: \$67,821.30 (Texas Transportation Code §313.042(b) permits assessment of up to nine-tenths of the Estimate)

Abutting Property Owner’s Proportionate Share of Assessment: 100%

Description of Abutting Property: Trinity West, Section Three (3), City of San Angelo, Tom Green County, Texas:

Being 3.353 acres out of and part of that certain 10.872 acre tract described by deed recorded as Instrument No. 716893, Official Public Records of Real Property of Tom Green County, Texas, and being 0.034 acres out of the C.A. Voight Survey 181, Abstract No. 3931, and 3.319 acres out of G. Maurer Survey 182, Abstract No. 1649, City of San Angelo, Tom Green County, Texas.

Twin Mountain Drive-Northern Half Project
City of San Angelo Public Works Department
Engineer's Estimate of Construction Cost
October 4, 2016
For Assessment Use

Street Construction						
Item #	Description	Est. Quantity	Unit	Est. Unit Price	Est. Cost	
110 2001	EXCAVATION (ROADWAY)	565	CY	\$15.00	\$8,475.00	
247 2240	FLEX BASE (Complete in Place) (TY A GR 2) (12")	283	CY	\$25.00	\$7,075.00	
260 2027	LIME TRT (Existing Material) (8")	847	SY	\$6.00	\$5,082.00	
310 2005	PRIME COAT (MC-30 OR AE-P)	250	GAL	\$7.00	\$1,750.00	
341 6040	D - GR HMA TY - D PG64-22	100	TON	\$143.00	\$14,300.00	
529 2004	CONC CURB & GUTTER (TY II)	253	LF	\$30.00	\$7,590.00	
500 2001	MOBILIZATION	1	LS	\$10,000.00	\$10,000.00	
502 2001	BARRICADES, SIGNS, AND TRAFFIC HANDLING	2	MO	\$4,000.00	\$8,000.00	
	8" AWWA C900 CLASS 150 PVC PIPE	87	LF	\$65.00	\$5,655.00	
	12" X 8" WET TAP	1	EA	\$1,680.00	\$1,680.00	
	TESTING	3	EA	\$250.00	\$750.00	
	CONTINGENCY	1		\$5,000.00	\$5,000.00	
				Total Est. Cost	\$75,357.00	

Roadway Construction Estimate:

\$63,022.00

Water Line Improvement Estimate:

\$7,335.00

Cost per front footage (255 LF)

\$295.52 /LF

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Allison Strube, Water Utilities Assistant Director, Water Utilities, 325-657-4209

Meeting Date: December 6, 2016

Item type: Regular Item

Caption:

Presentation on water and wastewater fund performance following the first year of Council adopted rate plan and consideration of the possibility of issuing rebates of water fees (Presentation by Water Utilities Director Bill Riley and Budget Manager Morgan Chegwiddden)

Summary/History:

In December 2015, City Council adopted a 5-year water and wastewater rate plan to provide the Utility with 3 critical needs.

1. Return the Utility to financial sustainability
2. Allow the Utility to more aggressively reinvest in infrastructure
3. Allow the financial wherewithal to develop other water sources

As a part of the plan, goals were established for the water and wastewater fund balances to help meet the targets stated above, as well as a 75-day operating expense fund balance.

The Water Operations unaudited fund balance as of September 30, 2016 is \$1,511,512. The goal for the water operations fund per the rate study is \$2,044,808.

The Wastewater Operations unaudited fund balance as of September 30, 2016 is \$3,353,882. The goal for the water operations fund per the rate study is \$3,215,153.

Since unaudited Water Operations fund balance is less than the goal, it would not be fiscally prudent to issue a rebate at this time; therefore, staff does not recommend issuing a rebate.

Financial Impact:

Continued implementation of the rate plan as previously adopted will yield revenues and expenditures in line with budget and an appropriate contribution to the fund balance goal.

Other Information/Recommendation:

Staff recommends proceeding with rate adjustments as stipulated in the City ordinance. The Water Advisory Board agreed with this recommendation at their November 17, 2016 meeting.

Staff also recommends not issuing water rebates at this time.

Attachments:

Presentation:

Approvals/Reviews:

Allison Strube	Created/Initiated
Bill Riley	Approved
Theresa James	Approved
Anthony Wilson	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

Kendrick, Bryan

From: Kendrick, Bryan
Sent: Friday, December 2, 2016 9:32 AM
To: Kendrick, Bryan
Subject: FW: City of San Angelo, TX: Boards and Commissions application

NOTE: This application is information of public record.

Public Service opportunities are offered by the City of San Angelo without regard to race, color, national origin, religion, sex or disability.

1. Personal information

Name: Iskandar Atajanow
Address: 4717 S. Jackson St, apt 150, San Angelo TX
ZIP code: 76903
Home/mobile phone: 860-878-7625
Office/mobile phone: 860-878-7625
Resident of San Angelo since (year): 2015
City Council Single-Member District in which you reside: 2
Registered San Angelo voter? (yes or no) Yes
Occupation/business affiliation: US Air Force
Occupation/business address: Goodfellow AFB
Title/position: Chaplain
Email: iskandar.atajanow@gmail.com

2. By executing this document, the applicant does hereby certify and affirm the truth and accuracy of the information contained herein. The applicant further authorizes the City Council, or its designee, to verify any information. The applicant agrees to release and hold harmless the City from all claims incident to the verification of information contained herein.

(o) Yes

3. Date

10/24/2016

4. Applying for:

NOTE: Specific membership requirements apply to boards/commissions marked with an asterisk. See the bottom page at [this link](#) for more details.

(o) Fort Concho Museum Board

5. Recommended by:

(Name): Not answered

6. Based on your board selection, do you meet the membership criteria?

(o) Yes

7. If so, which criteria?

Interest in American History, experience and education

8. Tell us about yourself.

Education and/or professional licenses:

I'm a 1st Lieutenant in the US Air Force. I am a Chaplain. I have always been fascinated and interested in American history and received my bachelors in History. Later on I went to Seminary to get my Theological degree. I've been in the military for almost 10 years, started as a Special Ops Medic in 2009 and was stationed at Ft Bragg with Special Operations, I later commissioned as Adjutant General Officer and later got approved to become a Chaplain. When I was going to Seminary in Connecticut I was a member of the board that oversaw the Mark Twain Museum in Hartford, CT.

Current municipal and civic organization memberships (positions and dates):

None

Previous municipal experience (positions, dates, where):

Member of Mark Twain Museum board, 01 Jan 14 - 01 Jan 16, Hartford, CT

What personal qualifications can you bring to the board?

- I have experience working with museums
- Almost 10 years of military experience
- Bachelor's in History (American History focus)

What is your personal vision for the City?

I foresee San Angelo as a prosperous city with a historical and diverse background. It is a city that many people would travel to visit our historical landmarks and museums. It is not simply a city known for its oil, but it should be known for its culture, history and its renowned landmarks.

Why do you want to serve on this board?

I believe that I can bring a lot on the table for this board with my experience in working with museums, my military background, my education in history, my team working skills, ability to persuade authorities and people to make decisions based on my advises, my willingness to make Fort Concho a renowned historical museum that would attract many tourists not only across Texas, but across our country. And with it's historical background it is simply a diamond in the region.

Is there anything else you would like to share about yourself?

I would be honored and privileged to be part of this board for such a historical fort. It is a symbol of our country's progress and its history. Being associated with such place is a great honor. I would work hard with the rest of the board to benefit not only our museum but also our city. Thank you!

The City Council adopted the Code of Ethics for members of the City Council and for the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation. Therefore, all Members shall comply with the laws of the nation, the State of Texas, and the City of San Angelo in the performance of their public duties. If you been convicted of a MISDEMEANOR or FELONY, and/or placed on probation, fined or given a suspended sentence such as pretrial diversion or deferred adjudication in court within the last ten years, disclosure of such should be forwarded under separate cover. For a complete copy of the Code of Ethics, contact the City Clerk at 325-657-4405.

Thank you,
City of San Angelo, TX

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