City Council Agenda
5/4/2023

Notice is hereby given of a regular meeting of the City Council of City of San Angelo to be held May 4, 2023 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. **Chaplain Prayer & Pledges**
3. **Proclamations/Recognitions**
   a. Recognition of May 5, 2023 as SAISD Difference Maker Day
   b. Proclamation of May 2023 as Community Action Agency Month
   c. Proclamation of May 2023 as Mental Health Awareness Month
   d. Proclamation of May 2023 as Motorcycle Awareness Month
   e. Proclamation of May 2023 as Stop the Bleed Month
4. **Public Comment**

Issues or concerns not on the Regular Agenda may be raised by the public at this time. Citizens should speak from the podium, address all comments to the dais, begin by stating their name and address or Single Member District number, and limit their remarks to less than three minutes.

5. **Consent Agenda**
   a. Consider approving the April 18, 2023 City Council regular meeting minutes (Heather Stastny)
   b. Consider approving an Airport Raw Land Lease with Angelo State University for 137,700-sq. ft. of land in the amount of $16,524 per year and authorizing the City Manager to negotiate and execute all related documents (Jeremy Valgardson)
   c. Consider ratifying a lease agreement between the City of San Angelo Development Corporation and 4L Roofing & Restoration, LLC, and authorizing the Board President to execute all necessary documents (Nora Nevarez)
   d. Consider a resolution approving the donation of 70 bags (one cubic foot each) of garden compost/mulch from Walmart Supercenter (610 W. 29th St.) with an estimated value of $200 (Roger Havlak)
   e. Consider a resolution finding that AEP Texas Inc.'s application to amend its distribution cost recovery factors to increase distribution rates within the city should be denied and authorizing the city to participate with other cities served by AEP to hire legal counsel with expenses to be reimbursed by the AEP (Theresa James)
   f. Public hearing and possible adoption of a resolution authorizing a Professional Services Contract with Eiland & Bonnin, P.C., Baron & Budd, and Cossich, Sumich, Parsiola & Taylor to represent The City of San Angelo in litigation to pursue claims for monetary damages, declaratory relief, and other legal remedies against manufacturers, designers, marketers,

distributors, formulators, promoters, and/or sellers of firefighting foam products and/or other products containing PFAS including PFOS (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds contingent upon an approval of the fee contract by the Office of the Attorney General, pursuant to Texas Government Code Section 2254, Subchapter C (Theresa James)

g. Second reading of an ordinance to rezone property from the Neighborhood Commercial zoning district to a Planned Development (PD23-02) to allow a base zoning of General Commercial also allowing a welding shop and outdoor storage, being 4.651 acres located at 2025 E Houston Harte Expy. (Jon James)
h. Second reading of an ordinance to rezone property from a Planned Development (PD02-03) to a new Planned Development (PD23-03), being 9.088-acres located at the southeast corner of Melrose Ave. and Stratford Ave. (Jon James)
i. Second reading of an ordinance to rezone property from the Single-Family Residential zoning district to a Planned Development (PD23-04) to allow reduced setbacks and an increase in the maximum Floor Area Ratio, being 9.595 acres located along Riviera Ct., south of Club House Ln. (Jon James)

6. Regular Agenda

Comments regarding items on the Regular Agenda may be made by the public when each item is discussed as outlined above. Applicants, proponents, and appellants are exempt from the time limit above and instead must limit their remarks to less than five minutes.

a. Consider accepting the City's fiscal year 2022 Annual Comprehensive Financial Report and Single Audit (Presentation made by Armstrong, Backus & Company, LLC Partner Gayla Thornton)
b. Discuss and consider adoption of an Ordinance Authorizing the Issuance and Sale of City of San Angelo, Texas Waterworks and Sewer System Improvement Revenue Bonds, Series 2023; 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 made by Finance Director Tina Dierschke)
c. An appeal of the Planning Commission's action on March 20, 2023, to deny an application for a Conditional Use for a Short Term Rental at 3221 Red Bluff Road West (Presentation made by Planning & Development Services Director Jon James)
d. Consider ratifying COSADC authorization for the Board President to negotiate and execute Amendment 1 to the 2023 COSADC-Chamber of Commerce Professional Services Performance Agreement with ratification by City Council (Presentation made by Interim Economic Development Director Michael Dane)

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:

8. Follow Up and Administrative Issues

a. Consider items discussed in Executive Session, if needed
b. 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 City Hall in the City of San Angelo, Texas, on the 27th day of April 2023, at 2:39 p.m.

Hstastny
Heather Stastny, City Clerk

All agenda items are subject to action. 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, or the ADA Coordinator at 325-657-4407 for request, or by completing a request form online at cosatx.us/ada.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to Heather.Stastny@cosatx.us. Time limits for discussion are as stated above and materials cannot exceed 10-pages. Citizens bringing materials for distribution to City Council members during the meeting must bring a minimum of 12 copies.

City Council regular meetings are broadcast on SATV Channel 17-Government Access at 10:30 a.m. and 7:00 p.m. every day, beginning the evening of the meeting until the evening of the next meeting.

Recognition

San Angelo Independent School District educators and staff impact the future of San Angelo daily – through their care for, and dedication and commitment to, the children of our city.

Their impact happens from the moment a child steps on a bus, walks through the school door, is fed a nourishing breakfast, and throughout the day until the last bell, and beyond. Educators and the entire SAISD team make a difference in each child's life, and with nearly 14,000 students, this is an incredible impact on our community.

Today we acknowledge the special commitment our SAISD educators and staff have on the well-being of our children. They provide a relevant and inspiring education, preparing future-ready graduates. These graduates may one day care for your loved ones as a nurse or doctor at a local hospital, address cybersecurity threats that impact our community, create beautiful artwork or music for others to enjoy, or go on to teach the next generation of San Angeloans.

At SAISD they often say, "Our people make the difference," and today we honor the San Angelo Difference Makers, those who inspire and prepare our students and support their hopes and dreams.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, and together with San Angelo Independent School District, do hereby recognize May 5, 2023 as

SAISD DIFFERENCE MAKER DAY

and thank all SAISD educators and staff for their dedicated service to our students and families and urge all citizens to acknowledge the occasion of this day.

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 4th day of May 2023.

____

Brenda Gunter
Mayor of the City of San Angelo

Proclamation

Established as part of Lyndon B. Johnson's war on poverty through the 1964 Economic Opportunity Act, Community Action Agencies have provided essential services to address and alleviate the causes and conditions of poverty for our community's most vulnerable neighbors.

Founded in 1966, Concho Valley Community Action Agency has a nearly six-decade history of providing assistance and promoting self-sufficiency for citizens of limited income.

Concho Valley Community Action Agency has been serving our communities through impactful services such as access to safe and affordable housing, financial empowerment and education, reducing energy burden with energy-savings and utility payment programs, educational support, advocacy, and contributing to the economic vitality of the Concho Valley.

Concho Valley Community Action Agency makes essential contributions to individuals and families across the Concho Valley by stabilizing and strengthening communities in times of extraordinary economic challenges, natural and human disasters, and exceptional health crises.

With a mission of helping people and changing lives, Concho Valley Community Action Agency has helped to make our region a better place to live, work, and play. Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. They care about the entire community, and they are dedicated to helping people help themselves and each other.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim May 2023 as

COMMUNITY ACTION MONTH

in San Angelo, Texas, and urge all citizens to support their continued efforts. Together, we can work toward a brighter future for our great city.

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 4th day of May 2023.

Brenda Gunter
Mayor of the City of San Angelo

Proclamation

Since 1949, the month of May has been recognized as Mental Health Awareness Month to raise awareness about the importance of mental health care and its impact on the well-being of everyone in the community. In Texas, 1 in 5 adults experiences a mental health challenge each year. Mental health care is essential to the health and wellness of each person in San Angelo and with the proper support and resources, those with mental illness can recover and lead productive and positive lives.

All citizens experience times of stress and difficulty in their lives and they should feel empowered to seek help and resources to manage these times. The rate of depression across the country has more than tripled compared to rates in 2019, and people need support now more than ever. Every person has an important role to play in supporting those with mental illnesses by learning warning signs, talking to affected loved ones and fighting negative stereotypes that come with mental health diagnoses.

In collaboration with MHMR Concho Valley, the Local Mental Health Authority (LMHA), we dedicate May to raising awareness about mental health and working to diminish the stigma that surrounds it.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim the month of May as

MENTAL HEALTH AWARENESS MONTH

in San Angelo, Texas, and encourage everyone to treat those with mental illnesses with compassion and to create an open and honest dialogue about mental health with family and friends. Together, we can help everyone get the mental health support needed to get well.

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 4th day of May 2023.

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Brenda Gunter
Mayor of the City of San Angelo

Proclamation

Poderosas MC, as members of the Region 5 Texas Council of Clubs and Independents, in collaboration and support of the National Safety Council, TXDOT, and local Motorcycle enthusiasts, would like to remind all road users that the month of May marks a National recognition of Motorcycle Safety Awareness Month.

Motorists are reminded of the frequency in higher seasonal return of motorcycle enthusiasts to Texas' roadways during this month.

Due to their smaller size, motorcycles may easily be overlooked in regular traffic flow. Motorists are encouraged to always be aware of motorcycles on all roadways, when approaching intersections, when performing lane changes, as well as whenever motorists near or pass other vehicles, including motorcycles.

Motorcyclists are encouraged to operate their motorcycles in a defensive manner and within the rules of the road. Motorcyclists ask that as motorists drive, they take a few extra seconds to Look Twice for Motorcycles, both during Motorcycle Safety Awareness Month and throughout the year to promote overall safety.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim May as

"MOTORCYCLE SAFETY AWARENESS MONTH"

in San Angelo, Texas, and encourage everyone to share the road safely.

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 4th day of May 2023.

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Brenda Gunter
Mayor of the City of San Angelo

Proclamation

"Stop the Bleed" is a nationwide campaign to empower individuals to act quickly and save lives. No matter how rapid the arrival of professional emergency responders, bystanders will always be the first on scene. Victims can die from blood loss within minutes; therefore, it is important to recognize life-threatening bleeding and intervene effectively.

The public must learn proper bleeding control techniques, including how to use their hands, dressings, and tourniquets. Victims can die quickly from uncontrolled bleeding in under a minute in some circumstances. Stopthebleedtexas.org and cvrac.org have resources that can help prepare you in the event you are witness to one of these unspeakable events.

Trauma Services at Shannon Medical Center, AirMed, SAFD, DPS, SAPD, Tom Green County Sherriff's Office, Staked Plains Emergency Nurses Association, and the Concho Valley Regional Advisory Council all provide Stop the Bleed training in San Angelo and the surrounding areas of the Concho Valley. Free training is offered and can be set up by emailing trauma@shannonhealth.org.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim the month of May as

STOP THE BLEED MONTH

in San Angelo, Texas and urge all citizens to be aware of the significant importance that bleeding control practices play in saving lives in our community.

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 4th day of May 2023.

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Brenda Gunter
Mayor of the City of San Angelo

City of San Angelo, Texas
Regular City Council Meeting
Tuesday, April 18, 2023

Present:

Mayor Brenda Gunter
Mayor Pro tem Tom Thompson, SMD 2
Council Member Tommy Hiebert, SMD 1
Council Member Harry Thomas, SMD 3
Council Member Lucy Gonzales, SMD 4
Council Member Karen Hesse Smith, SMD 5
Council Member Larry Miller, SMD 6

1. Call to Order

With a quorum of the City Council Members present, Mayor Gunter called the regular session of the San Angelo City Council to order at 8:30 a.m. on Tuesday, April 18, 2023, at the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas 76903.

2. Chaplain Prayer & Pledges

An invocation was provided by San Angelo Police Department Chaplain Art Mavrode.

Pledges were led by Mrs. Fluitt's 3rd Grade Students from Fort Concho Elementary.

3. Proclamations/Recognitions

April 22, 2023 was proclaimed as Earth Day.

Fort Concho 3rd Grader Kallyn Matthews gave presentation on cleaning the Concho River.

April 30, 2023 was proclaimed as Beta Sigma Phi Day.

4. Public Comment

Brian Bylsma (SMD 1) spoke regarding City Retiree insurance.

ADA Coordinator Theresa James provided an update on ADA compliance.

Mayor Gunter informed citizens that she did not send out or authorize any emails regarding Publisher's Clearing House.

5. Consent Agenda

a. Approval of the April 4, 2023 City Council regular meeting minutes (Heather Stastny)

b. Award of the sole source purchase of a weed control boat to Weedoo Greenboat, Inc. (San Angelo, TX) in the amount of $105,552.50 for the purchase of one unit, and authorizing the City Manager to negotiate and execute all related documents (Ryan Kramer)

c. Approval of an agreement with San Angelo Extreme FC for the lease of the Ben Ficklin Field for youth soccer training and practices, and authorizing the City Manager to negotiate and execute all related documents (Carl White)

d. Approval of an agreement with the Southern Drag Boat Association (SDBA) for the annual Drag Boat Races at Lake Nasworthy, and authorizing the City Manager to negotiate and execute all related documents (Carl White)

e. Approval of an agreement with Mr. George Janca to operate a kayak rental concession kiosk at Mary E. Lee Park at Lake Nasworthy, and authorizing the City Manager to negotiate and execute all related documents (Carl White)

f. Adoption of a Resolution of Support of the City's application for the TxDOT Transportation Alternatives Set Aside Grant in conjunction with the Ricks Dr. Pedestrian Improvements Project, and authorizing the City Manager to negotiate and execute all related documents (Patrick Frerich) **(Pg. 196, 2023-042)**

g. Adoption of a Resolution of Support of the City's application for the TxDOT Transportation Alternatives Set Aside Grant in conjunction with the City's ADA Transition Plan Update Project, and authorizing the City Manager to negotiate and execute all related documents (Patrick Frerich) **(Pg. 198, 2023-043)**

h. Adoption of a Resolution of Support of the City's application for the TxDOT Transportation Alternatives Set Aside Grant in conjunction with the Community Accessibility and Connectivity Project, and authorizing the City Manager to negotiate and execute all related documents (Patrick Frerich) (Pg. 180, 2023-035) **(Pg. 200, 2023-044)**

i. Second reading and adoption of an ordinance approving Standards of Care for Recreation Summer Camp held at Recreation Centers for ages 5 through 13 (Brent Casey) (Pg. 182, 2023-036) **(Pg. 202, 2023-045)**

j. Second reading and adoption of an ordinance amending the budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023 for projects (Tina Dierschke) (Pg. 183, 2023-037) **(Pg. 211, 2023-046)**

Motion: Council Member Hesse Smith made a motion, seconded by Council Member Gonzales, to approve the Consent Agenda with the exception of item 5f. The motion carried unanimously (7) ayes to (0) nays, with no public comment.

Motion: Council Member Gonzales made a motion, seconded by Council Member Miller, to approve item 5f, as presented by Operations Director Patrick Frerich. The motion carried unanimously (7) ayes to (0) nays.

6. Regular Agenda

a. Presentation of the Downtown San Angelo, Inc. biannual report (Presentation made by DSA Executive Director Del Velasquez and Assistant Director Monica Ramos)

No Action Taken on this Item.

b. Approval of Tax Increment Reinvestment Zone (TIRZ) incentive funding for two private projects in the North TIRZ area for the properties located at 802 N. Chadbourne and 2901 N. Chadbourne totaling $102,591, and authorizing the City Manager to negotiate and execute all related documents (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Gonzales made a motion, seconded by Council Member Hesse Smith, to approve the item as presented. The motion carried (7) ayes to (0) nays, with no public comment.

c. First reading and public hearing of an ordinance to rezone property from the Neighborhood Commercial zoning district to a Planned Development (PD23-02) to allow a base zoning of General Commercial also allowing a welding shop and outdoor storage, being 4.651 acres located at 2025 E Houston Harte Expy. (Presentation made by Planning & Development Services Director Jon James)

Planning Commissioner Kandi Pool provided insight on the Planning Commissions reasons for their approval and recommendation of General Commercial zoning.

Motion: Mayor Gunter made a motion, seconded by Council Member Thomas, to rezone the property as Planned Development, and requiring the proposed welding shop have fencing around all outdoor storage areas. Requiring a super-majority vote, the motion failed (5) ayes to (2) nays, with Council Members Gonzales and Hesse Smith casting the dissenting votes.

Motion: Council Member Hiebert made a motion, seconded by Council Member Gonzales, to rezone the property as General Commercial. The motion carried (5) ayes to (2) nays, with Council Member Hesse Smith and Mayor Gunter casting the dissenting vote.

d. First reading and public hearing of an ordinance to rezone property from a Planned Development (PD02-03) to a new Planned Development (PD23-03), being 9.088-acres located at the southeast corner of Melrose Ave. and Stratford Ave. (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Thomas made a motion, seconded by Council Member Hiebert, to approve the item as presented. The motion carried unanimously (7) ayes to (0) nays, with no public comment.

e. First reading and public hearing of an ordinance to rezone property from the Single-Family Residential zoning district to a Planned Development (PD23-04) to allow reduced setbacks and an increase in the maximum Floor Area Ratio, being 9.595 acres located along Riviera Ct., south of Club House Ln. (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Hiebert made a motion, seconded by Council Member Miller, to approve the item, as presented. The motion carried unanimously (7) ayes to (0) nays, with no public comment.

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 551.072 - Deliberations about real property regarding real property regarding 11.693 acres out of E. Michali Survey 319, Abstract 1657

b. Section 551.087 - Business prospect negotiations regarding:
   a. Project Monet
   b. Project Stockpile
   c. Project New Wave
   d. Rosenberger
   e. Project BESS

c. Section 551.071 – Consultation with attorney regarding hotel occupancy tax delinquencies

d. Section 551.071 – Consultation with attorney regarding litigation related to fire-fighting foam

NEW QUORUM:

Quorum for Remainder of Meeting:
Mayor Brenda Gunter
Mayor Pro tem Tom Thompson, SMD 2
Council Member Tommy Hiebert, SMD 1
Council Member Lucy Gonzales, SMD 4
Council Member Karen Hesse Smith, SMD 5
Council Member Larry Miller, SMD 6

8. Follow Up and Administrative Issues

a. Consider items discussed in Executive Session, if needed

No Action Taken on this Item

b. Consider approving various Board nominations
ADA Advisory Committee: Mike Sanders, Jim Johnson, Benjamin Brojakowski, and Lettitia McPherson, all to a first term ending April 2025

Motion: Council Member Miller made a motion, seconded by Council Member Thompson, to approve the item, as presented. The motion carried unanimously (6) ayes to (0) nays, with no public comment.

c. Announcements and consideration of Future Agenda Items
-Meetings in May are scheduled for Thursday, May 4 and Wednesday, May 17
-Consider moving the July 4 meeting to Thursday, July 6
-Strategic Planning – proposed date Friday, May 12
-Budget Workshop – Enterprise Fund – proposed date Tuesday, July 25
-Budget Workshop – General Fund – proposed date Thursday, August 10

Consensus: Strategic Planning was scheduled for Friday, May 26. All other dates were approved as proposed, in addition to the August 1 Regular meeting moved to Thursday, August 3.

9. Adjournment

Motion: Council Member Hiebert made a motion, seconded by Council Member Thompson, to adjourn the meeting.

There being no further business, the meeting adjourned by consensus at 12:30 p.m. with no public comment.

THE CITY OF SAN ANGELO, TEXAS:

ATTEST:

____
Brenda Gunter, Mayor

____
Heather Stastny, 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: Jeremy Valgardson, Airport Director, Airport

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Consider approving an Airport Raw Land Lease with Angelo State University for 137,700-sq. ft. of land in the amount of $16,524 per year and authorizing the City Manager to negotiate and execute all related documents (Jeremy Valgardson)

Staff Recommendation:

Approve

Summary/History:

Angelo State University (ASU) would like to lease 137,700 square feet of land directly north of the Skyline/GTE hangar on Hangar Road. ASU would like to expand their aviation program by building a classroom-style training facility and dispatch center. They will eventually build an aircraft hangar east of the training facility to tie into the existing North Ramp.

This is a raw land lease at a rate of $0.12/sqft/yr.

They are seeking a long term 'Raw Land Lease' of 20 years firm with four 5 year extensions. Essentially giving them a 40 year lease.

The NEPA environmental review has already been conducted and approved by the FAA with 'no findings'.

The Airport Advisory Board has reviewed the proposal and recommends City Council approve the agreement.

The ASU buildout plans are consistent with the Airport Masterplan and future development plans.

Funding Source(s):

Financial Impact:

Raw land lease rate of $0.12-sq. ft./yr.1

Yearly Payment (year 1): $16,524.

The lease rate will be increased annually at a rate of 2%

The lease revenue is unrestricted and can be used for airport operating needs.

Other Information/Recommendation:

Attachments:

1.	ASU RAW LAND LEASE	ASU RAW LAND LEASE.jpg

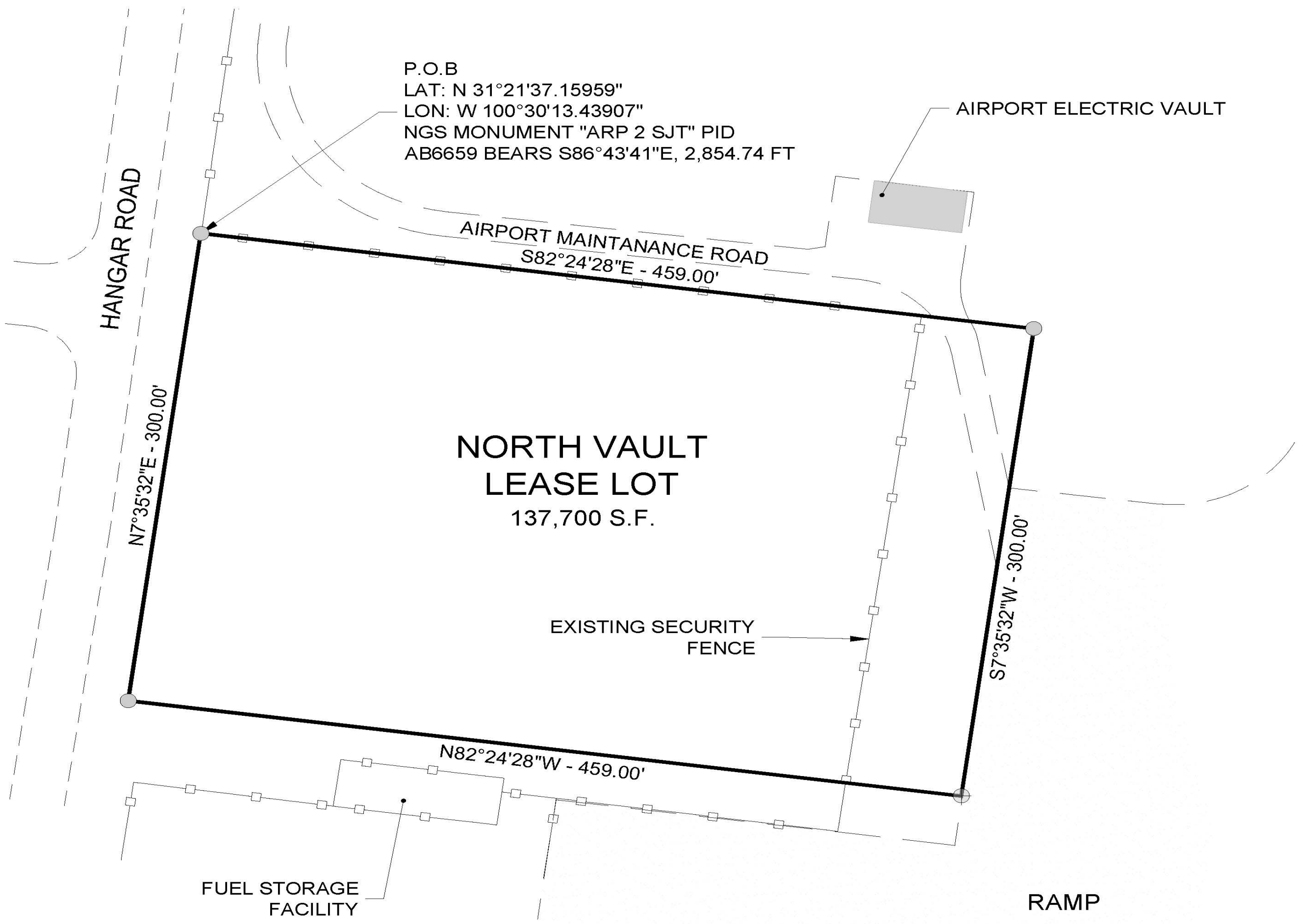
Presentation:

Jeremy Valgardson

Approvals/Reviews:

Jeremy Valgardson	Created/Initiated
Brandon Dyson	Approved
Theresa James	Approved
Tina Dierschke	Approved
Heather Stastny	Final Approval

SJT - NORTH VAULT LEASE LOT
W. SPORNHAUN SURVEY, ABSTRACT NO. 1881
TOM GREEN COUNTY, TEXAS



CITY OF SAN ANGELO, TEXAS
RESIDUE OF A CALLED 673.503 ACRES
(471.130 ACRES)
VOL. 211, PG. 105
D.R.T.G.C.T.

GRAPHIC SCALE
50 0 50 100
(IN FEET)

LEGAL DESCRIPTION OF SJT - NORTH VAULT LEASE LOT

BEING A PARCEL OF LAND WITHIN A TRACT OF LAND CONVEYED TO THE CITY OF SAN ANGELO BY DEED RECORDED UNDER VOLUME 211, PAGE 105, D.R.T.G.C.T., SITUATED IN THE W. SPORNHAUN SURVEY, A-1881, TOM GREEN COUNTY, TEXAS.

BEGINNING AT A POINT FROM WHICH THE NGS PUBLISHED MARK "ARP 2 SJT" PID AB6659 AND KNOWN AS THE SAN ANGELO REGIONAL AIRPORTS PRIMARY AIRPORT CONTROL STATION BEARS S86°43'41"E, 2,854.74 FEET; THENCE S82°24'28"E., 459.00 FEET; THENCE S7°35'32"W, 300.00 FEET; THENCE N82°24'28"W, 459.00 FEET; THENCE N7°35'32"E, 300.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

CONTAINING 137,700 S.F. (3.161 +/- AC).

LEGEND

ALUMINUM CAP ON 5/8"X24" REBAR SET RPLS 6387

NAIL IN PAVEMENT SET

NOTES:

1. GEOGRAPHIC COORDINATES SHOWN HEREON ARE REFERENCED TO NAD83(2011) DETERMINED BY GPS MEASUREMENTS. DISTANCES SHOWN HEREON ARE GROUND DISTANCES (USFT). TO CONVERT TO GRID DISTANCES USE COMBINED SCALE FACTOR OF 0.999814070.
2. SOME BUT NOT ALL UTILITIES AND IMPROVEMENTS ARE SHOWN HEREON.

2-3-2023

WOOLPERT, INC TEXAS FIRM REGISTRATION NUMBER: 10194208

PLAT SHOWING
SJT - NORTH VAULT LEASE LOT
AT
SAN ANGELO REGIONAL AIRPORT
TOM GREEN COUNTY, TEXAS

PREPARED FROM SURVEYS MADE ON THE GROUND JANUARY 26TH, 2023

JVIATION®
A WOOLPERT COMPANY
35 South 400 West, Suite 200
St. George, UT 84770
435.673.4677 www.jviation.com

I HEREBY CERTIFY THAT THIS MAP AND SURVEY WERE COMPLETED BY ME, OR UNDER MY DIRECT SUPERVISION.

Victor Armenta	#6387	2/03/2023
NAME	REG. NO.	DATE

FOR AND ON BEHALF OF WOOLPERT

WOOLPERT PROJ. NO.
10017503

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Nora Nevarez, Executive Office Coordinator, Economic Development

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Consider ratifying a lease agreement between the City of San Angelo Development Corporation and 4L Roofing & Restoration, LLC, and authorizing the Board President to execute all necessary documents (Nora Nevarez)

Staff Recommendation:

Approve

Summary/History:

4L Roofing & Restoration is an LLC established by Managing member Tanner Long. They will provide roofing services for new construction, remodels, and storm restoration & repairs for both residential and commercial properties.
4L is seeking acceptance into the Business Factory to conduct daily administrative work in an office environment geared towards the growth of small businesses.
Mr. Long is currently working with ASU SBDC for guidance on business operations and plans for growth.

This item was approved by the City of San Angelo Development Corporation meeting on April 26, 2023.

Funding Source(s):

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Nora Nevarez

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Michael Dane	Approved
Theresa James	Approved
Heather Stastny	Final Approval

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Roger Havlak, Senior Parks Manager, Parks and Recreation

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Consider a resolution approving the donation of 70 bags (one cubic foot each) of garden compost/mulch from Walmart Supercenter (610 W. 29th St.) with an estimated value of $200 (Roger Havlak)

Staff Recommendation:

Approve

Summary/History:

A representative from the Walmart Supercenter (610 W. 29th St.) recently contacted Park's staff to donate 70 bags (one cubic foot each) of Nature's Way garden compost/mulch to the Parks Division for use in the City's landscape beds and gardens throughout San Angelo. Park's staff estimates the value of this donation at $200.

Funding Source(s):

Financial Impact:

With this donation, Park's staff estimates a savings of $200 in future compost/mulch purchases.

Other Information/Recommendation:

Attachments:

1. Resolution accepting donation of mulch — Resolution accepting donation of mulch.docx

Presentation:

Roger Havlak

Approvals/Reviews:

Roger Havlak	Created/Initiated
Carl White	Approved
Theresa James	Approved
Tina Dierschke	Approved

Theresa James	Approved
Heather Stastny	Final Approval

A RESOLUTION BY THE CITY OF SAN ANGELO CITY COUNCIL ACCEPTING THE DONATION OF 70 BAGS OF COMPOST/MULCH FROM WALMART SUPERCENTER (610 W 29TH STREET) WITH A VALUE OF APPROXIMATELY $200.

WHEREAS, Section 51.076(a) of the Texas Local Government Code provides that a municipality may hold property that it receives by gift, deed, devise, or other manner; and

WHEREAS, Walmart Supercenter would like to donate 70 bags of compost/mulch valued at $200. The compost/mulch will be utilized by the parks and recreation staff.

WHEREAS, the Parks and Recreation Department has use for the compost/mulch.

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

Part 1: That the City of San Angelo hereby accepts a donation of 70 bags of compost/mulch valued at $200.00 from Walmart Supercenter.

Part 2: That the Parks and Recreation Department are hereby authorized to accept future donations of gardening supplies from local vendors.

Part 3: That the compost/mulch and other future donations of gardening supplies shall be used by the Parks and Recreation Department for the maintenance of City facilities.

PASSED and APPROVED THIS 4th Day of May, 2023.

CITY OF SAN ANGELO, TEXAS

ATTEST:

____
Brenda Gunter, Mayor

____
Heather Stastny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Theresa James, City Attorney, Legal

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Consider a resolution finding that AEP Texas Inc.'s application to amend its distribution cost recovery factors to increase distribution rates within the city should be denied and authorizing the city to participate with other cities served by AEP to hire legal counsel with expenses to be reimbursed by the AEP (Theresa James)

Staff Recommendation:

Approve

Summary/History:

On April 5, 2023, AEP Texas Inc. ("AEP" or "Company") filed an Application to Amend its Distribution Cost Recovery Factor ("DCRF") to increase distribution rates within each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in distribution revenues of approximately $39.7 million (an approximately $1.63 increase to the average residential customer's bill from the rates approved in the Company's most recent DCRF case). Moreover, the Company is seeking to impose Rider Mobile TEEE Facilities ("Rider") to recover revenue related to mobile generation unit leasing and operation. The Rider would recover approximately $30.67 million (an approximately $1.30 increase to the average customer's bill).

The resolution authorizes the City to join with the Cities Served by AEP ("Cities") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

Funding Source(s):

Financial Impact:

Other Information/Recommendation:

Attachments:

1. Denial Resolution - 2023 AEP Denial Resolution - 2023 AEP .doc

Presentation:

Theresa James

Approvals/Reviews:

Theresa James	Created/Initiated
Theresa James	Approved
Tina Dierschke	Approved
Heather Stastny	Final Approval

RESOLUTION NO. ______________

A RESOLUTION OF THE CITY OF SAN ANGELO, TEXAS FINDING THAT AEP TEXAS INC.'S APPLICATION TO AMEND ITS DISTRIBUTION COST RECOVERY FACTORS TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH THE CITIES SERVED BY AEP TEXAS; AUTHORIZING HIRING OF LEGAL COUNSEL; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of San Angelo, Texas ("City") is an electric utility customer of AEP Texas Inc. ("AEP" or "Company"), and a regulatory authority with an interest in the rates and charges of AEP; and

WHEREAS, the City is a member of the Cities Served by AEP ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP's service area; and

WHEREAS, on or about April 5, 2023 AEP filed with the City an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 54824, seeking to increase electric distribution rates by approximately $39.7 million (an approximately $1.63 increase to the average residential customer's bill from the rates approved in the Company's most recent DCRF case) and impose a Rider Mobile TEEE Facilities to recover $30.67 million (an approximately $1.30 increase to the average residential customer's bill) related to mobile generation facilities; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of AEP's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, Cities members and attorneys recommend that members deny the DCRF.

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

Section 1. That the City is authorized to participate with Cities in PUC Docket No. 54824.

Section 2. That subject to the right to terminate employment at any time, the City hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by AEP to be recovered through its DCRF and Rider Mobile TEEE Facilities charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by AEP within 30 days of presentation of an invoice to AEP.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Leila Melhem, American Electric Power Service Corporation, 400 West 15th Street, Suite 1520, Austin, Texas 78701 and to Thomas Brocato, General Counsel to the Cities, at Lloyd Gosselink Rochelle & Townsend, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this 4th day of May, 2023.

____
Brenda Gunter, Mayor

ATTEST:

____
Heather Stastny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Theresa James, City Attorney, Legal

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Public hearing and possible adoption of a resolution authorizing a Professional Services Contract with Eiland & Bonnin, P.C., Baron & Budd, and Cossich, Sumich, Parsiola & Taylor to represent The City of San Angelo in litigation to pursue claims for monetary damages, declaratory relief, and other legal remedies against manufacturers, designers, marketers, distributors, formulators, promoters, and/or sellers of firefighting foam products and/or other products containing PFAS including PFOS (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds contingent upon an approval of the fee contract by the Office of the Attorney General, pursuant to Texas Government Code Section 2254, Subchapter C (Theresa James)

Staff Recommendation:

Approve

Summary/History:

The City of San Angelo intends to pursue claims for monetary damages, declaratory relief, and other legal remedies against manufacturers, designers, marketers, distributors, formulators, promoters, and/or sellers ("Defendants") of firefighting foam products and/or other products containing perfluoroalkyl substances ("PFAS") including perfluorooctane sulfonic acid and perfluorooctanic acid, and related compounds as determined for testing, monitoring, remediating and/or treating soil and water contamination. The desired outcome in the Litigation is to recover damages owed to The City of San Angelo for the possible soil and water contamination by the Defendants' products, in addition to other relief allowed under the law. The Defendants manufactured, designed, marketed, distributed, formulated, promoted and or sold firefighting foam and/or other products containing ("PFAS") including PFOS (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds which have been proven to contaminate soil and water.

The City of San Angelo requires legal counsel that specialize in complex litigation and are highly knowledgeable and experienced in the legal issues surrounding PFAS and AFFF. This resolution will allow the City of San Angelo to engage EILAND & BONNIN, P.C., BARON & BUDD, and COSSICH, SUMICH, PARSIOLA & TAYLOR in a contingency fee contract to provide legal services related to the above described litigation.

Subchapter C of Chapter 2254 of the Texas Government Code ("Chapter 2254") requires that before a political subdivision of the State of Texas, including The City of San Angelo, may enter into a contingent fee contract for legal services the City must 1. provide written notice to the public stating certain provisions enumerated within Chapter 2254; 2. approve the contract in an open meeting called, in part or in whole, for the purposes of considering such contract; and 3. state in a written resolution certain findings made by the governing body upon the approval of such contract.

Additionally, before the contingent fee contract for the legal services is effective and enforceable, the City of San Angelo must receive approval of the Contract by the Office of the Attorney General of Texas.

This item meets the three requirements of approval of a contingency fee contract. Once approved the contract will be sent to the Office of the Attorney General of Texas for approval.

Funding Source(s):

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	Contract - PFA	Contract - PFA.docx
2.	resolution for contingency contract	resolution for contingency contract.docx

Presentation:

Theresa James

Approvals/Reviews:

Theresa James	Created/Initiated
Theresa James	Approved
Tina Dierschke	Approved
Heather Stastny	Final Approval

PFAS & AFFF LEGAL REPRESENTATION AGREEMENT
(AGREEMENT)

CLIENT
The City of San Angelo, Texas

A. Scope and Purpose of Representation

1.1 THE CITY OF SAN ANGELO, TEXAS ("CLIENT") hires the law firms of EILAND & BONNIN, BARON & BUDD, COSSICH, SUMICH, PARSIOLA & TAYLOR as sCO-LEAD COUNSEL in the investigation and prosecution of a lawsuit arising under the laws of the State of Texas to be filed against manufacturers, designers, marketers, distributors, formulators, promotors, and/or sellers of firefighting foam products (known as "aqueous film-forming foam") or "AFFF" and/or other products containing perfluoroalkyl substances ("PFAS") including PFOS (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds (collectively, "Defendants"). Attorneys will provide legal services to recover damages, compensation, and other relief to which CLIENT may be entitled to recover from Defendants.

1.2 LEGAL SERVICES SPECIFICALLY EXCLUDED. Unless otherwise agreed in writing by CLIENT and Attorneys, Attorneys will not provide legal services with respect to (a) defending any legal proceeding or claim against the CLIENT commenced by any person unless such proceeding or claim is filed against the CLIENT in the Action or (b) proceedings before any federal or state administrative or governmental agency, department, or board including, but not limited to, the United States Environmental Protection Agency. With CLIENT's permission, however, Attorneys may elect to appear at such administrative proceedings to protect CLIENT's rights. If CLIENT wishes to retain Attorneys to provide any legal services not provided under this Agreement for additional compensation, a separate written agreement between Attorneys and CLIENT will be required.

1.3 CLIENT hereby retains and employs CO-LEAD COUNSEL. The City of San Angelo's City Council has, by its approval of this Agreement, found that CLIENT has a substantial need for these legal services which cannot be adequately performed by the attorneys of CLIENT or other government attorneys, nor, because of the nature of the matter for which services will be obtained, can they be reasonably obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter. The estimated amount that may be recovered from the litigation exceeds $100,000.00.

1.4 CLIENT hereby authorizes and directs CO-LEAD COUNSEL, to handle the Representation and to take all actions necessary to prosecute and assist in the prosecution of the ongoing case or any new or additional case(s) on behalf of CLIENT against Defendants. In the Representation, CO-LEAD COUNSEL may seek necessary and appropriate injunctive relief, damages, civil penalties, costs and attorney's fees, and such other pecuniary recovery as may be provided for by the laws of the State of Texas and/or any relevant local, state and/or federal statutory and/or common law.

1.5 CLIENT has already authorized the filing of a suit or suits against Defendants and has determined pursuant to Tex. Loc. Gov't Code § 262.024(a)(4) that this Agreement is for *professional services,* requiring work that is predominantly mental or intellectual, rather than physical or manual, requiring special knowledge or attainment and a high order of learning, skill, and academic intelligence and the services of CO-LEAD COUNSEL are being retained pursuant to all applicable law.

1.6 The term of this Agreement shall end after the conclusion of the Representation unless either party extends or terminates this Agreement in accordance with its provisions.

1.7 CLIENT is hiring as CO-LEAD COUNSEL the law firms of EILAND & BONNIN, BARON & BUDD, COSSICH, SUMICH, PARSIOLA & TAYLOR. The firms will share equally in the responsibilities and decisions in the legal representation of CLIENT and will also share in any fees and costs. By signing this Agreement, CLIENT retains the law firms. Attorney services will be provided to CLIENT by the firms and will not necessarily be performed by any particular attorney. CO-LEAD COUNSEL and ASSOCIATED COUNSEL agree to perform necessary legal work with reference to the Representation.

1.8 To enable CO-LEAD COUNSEL to provide effective representation, CLIENT agrees to do the following: (1) disclose to CO-LEAD COUNSEL, fully and accurately and on a timely basis, all facts and documents within CLIENT'S knowledge that are or might be material, or that CO-LEAD COUNSEL may request, (2) keep CO-LEAD COUNSEL apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with CO-LEAD COUNSEL. Finally, if CLIENT has any concern or problem with CO-LEAD COUNSEL, their attorneys or employees at any time, CLIENT agrees to immediately tell the primary attorney of each law firm about any concerns or problems and not wait until a later time.

1.9 Neither party shall assign, in whole or in part, any duty or obligation of performance under this Agreement without the express written permission of the other parties, unless otherwise authorized in this Agreement.

1.10 The person or entity that CO-LEAD COUNSEL represents is CITY OF SAN ANGELO, TEXAS and CO-LEAD COUNSELS' attorney-CLIENT relationship does not include any related persons or entities. If any potential conflict arises with respect to the Representation, CO-LEAD COUNSEL will make full disclosure of the possible effects of such Representation on the professional judgment of each individual associated with CO-LEAD COUNSEL working on the Representation. Such disclosure shall be made to Dillon Meek, Mayor for the City of San Angelo, Texas.

1.11 CLIENT designates Brenda Gunter, Mayor for the City of San Angelo, Texas as the authorized representative to direct Attorneys and to be the primary individual to communicate with Attorneys regarding the subject matter of Attorneys' representation of CLIENT under this Agreement. This designation is intended to establish a clear line of authority and to minimize potential uncertainty, but not to preclude communication between Attorneys and other representatives of CLIENT.

1.12 It is understood and agreed that CO-LEAD COUNSELS' engagement is limited to the Representation. CO-LEAD COUNSEL is not being retained as general counsel, and CO-LEAD COUNSELS' acceptance of this Agreement does not imply any undertaking to provide legal services other than those set forth in this Agreement.

1.13 Any expressions on CO-LEAD COUNSELS' part concerning the outcome of the Representation, or any other legal matters, are based on CO-LEAD COUNSELS' professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by CO-LEAD COUNSELS' knowledge of the facts and are based on CO-LEAD COUNSELS' views of the state of the law at the time they are expressed. CO-LEAD COUNSEL has made no promises or guarantees to CLIENT about the outcome of the Representation, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

1.14 After completion of the Representation, changes may occur in the applicable laws or regulations that could affect CLIENT'S future rights and liabilities in regard to the Representation. Unless CO-LEAD COUNSEL is actually engaged after the completion of the Representation to provide additional advice on such issues, CO-LEAD COUNSEL has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Representation other than the continuing obligations set out in this Agreement.

1.15 At the conclusion of the Representation, CO-LEAD COUNSEL will return to CLIENT any documents that COUNSEL is specifically requested to return. As to any documents so returned, CO-LEAD COUNSEL may elect to keep a copy of the documents in COUNSEL'S stored files. CLIENT owns all final work product generated from the Representation.

1.16 Any notice required or permitted to be given by CLIENT to CO-LEAD COUNSEL hereunder may be given by e-mail and hand delivery, facsimile or certified United States Mail, postage prepaid, return receipt requested, addressed to:

A Craig Eiland
Eiland & Bonnin, PC
1220 Colorado St. Suite 300
Austin, TX 78701
409.763.3260 (phone)
713.513.5211 (e-fax)
ceiland@eilandlaw.com

Carla Burke Pickrel
Baron & Budd,P.C.
3102 Oak Lawn Avenue, Ste. 1100
Dallas, Texas 75219
214-520-1181
cburkepickrel@baronbudd.com

Brandon Taylor
Cossich, Sumich, Parsiola & Taylor
8397 Highway 23, Suite 100
Belle Chasse, LA 70037
(504) 394-9000
BTaylor@Cossichlaw.com

1.17 Any notice required or permitted to be given by CO-LEAD COUNSEL to CLIENT hereunder may be given by hand delivery, facsimile, email, or certified United States Mail, postage prepaid, return receipt requested, addressed to:

Theresa James, City Attorney
City of San Angelo
72 W. College Avenue
San Angelo, Texas 76903
325.657.4407 (phone)
Theresa.James@cosatx.us

1.18 Such notices shall be considered given and complete upon successful transmission or upon deposit in the United States Mail.

1.19 CO-LEAD COUNSEL affirmatively consents to the disclosure of its email addresses that are provided to CLIENT. This consent is intended to comply with the requirements of the Texas Public Information Act, TEX. GOV'T CODE § 552.137, *et seq.,* as amended, and shall survive termination of this Agreement. This consent shall apply to email addresses provided by CO-LEAD COUNSEL and agents acting on CO-LEAD COUNSEL'S behalf and shall apply to any email address provided in any form for any reason whether related to this Agreement or otherwise.

1.20 It is expressly understood that CO-LEAD COUNSEL has no authority to settle or otherwise compromise the position of the CLIENT or any of its officers. The City Council for the City of San Angelo, Texas retain all authority to settle the case.

1.21 Nothing herein shall be construed as creating any personal liability on the part of any officer, agent, employee or elected official of CLIENT.

1.22 CO-LEAD COUNSEL shall provide CLIENT's designee with reports on the status of the Representation as requested by CLIENT. No settlement of any claim, suit, or proceeding shall be entered into without the approval of the City Council for the City of San Angelo, Texas.

1.23 CO-LEAD COUNSEL and ASSOCIATED COUNSEL will share any legal fees as follows:

EILAND & BONNIN, PC	18%
BARON & BUDD. LLP	38%
COSSICH, SUMICH, PARSIOLA & TAYLOR	38%
DARBY LAW GROUP, PLLC	6%

1.24 The basis for this division of legal fees will be "joint responsibility," as that term is defined in Rule 1.04, Texas Disciplinary Rules of Professional Conduct, and its official comments (i.e., a "joint responsibility" attorney or law firm may not have an active role in representing CLIENT but does have some obligations described in the Rule and its comments). CLIENT consents to this sharing or division of legal fees between/among these identified law firms and the basis described.

1.25 No actions and/or disputes between or amongst CO-LEAD COUNSEL and ASSOCIATED COUNSEL will affect CLIENT'S recovery, nor will it give rise to any liability on the part of CLIENT.

B. Counsel's Fees and Expenses if Subchapter C, Chapter 2254 of the Texas Government Code Applies to this Agreement

2.1 Consideration of the legal services to be provided to CLIENT by CO-LEAD COUNSEL, CLIENT hereby assigns and grants unto CO-LEAD COUNSEL attorney's fees equal to thirty-five percent **(35%)** of the gross recovery ***for attorney fees and expenses.***

A. "Gross recovery" means the total recovery, whether obtained by settlement, arbitration award, court judgment following trial or appeal, or otherwise. "Gross recovery" shall include, without limitation, the following: (1) the then-present value of any monetary payments to be made to CLIENT; and (2) the fair market value of any non-monetary property and services to be transferred and/or rendered for the benefit of CLIENT; and (3) any attorney's fees recovered by CLIENT as part of any cause of action that provides a basis for such an award. "Gross recovery" may come from any source, including, but not limited to, the adverse parties to the Action and/or their insurance carriers and/or any third party, whether or not a party to the Action. If CLIENT and Attorneys disagree as to the fair market value of any non-monetary property or services as described above, Attorneys and CLIENT agree that a binding appraisal will be conducted to determine this value.

B. It is possible that payment to the CLIENT by the adverse parties to the Action or their insurance carrier(s) or any third-party may be deferred, as in the case of an annuity, a structured settlement, or periodic payments. In such event, gross recovery will consist of the initial lump sum payment plus the present value (as of the time of the settlement) of the total of all payments to be received thereafter. The contingent fee is calculated, as described above, by multiplying the gross recovery by the fee percentage. The Attorneys' fees will be paid out of the initial lump-sum payment if there are sufficient funds to satisfy the Attorneys' fee. If there are insufficient funds to pay the Attorneys' fees in full from the initial lump sum payment, the balance owed to Attorneys will be paid from subsequent payments to CLIENT before there is any distribution to CLIENT.

C. Reasonable Fee if Contingent Fee is Unenforceable or if Attorney is Discharged Before Any Recovery. In the event that the contingent fee portion of this agreement is determined to be unenforceable for any reason or the Attorneys are prevented from representing CLIENT on a contingent fee basis, CLIENT agrees to pay a reasonable fee for the services rendered. If the parties are unable to agree on a reasonable fee for the services rendered, Attorneys and CLIENT agree that the fee will be determined by arbitration proceedings before a neutral affiliated with the Judicial Arbitration and Mediation Services (JAMS); in any event, Attorneys and CLIENT agree that the fee determined by arbitration shall not exceed 35% of the gross recovery for attorney fees and expenses as defined in this Agreement. **If there is no recovery by CLIENT, no fee will be due to Attorneys**.

2.2 CO-LEAD COUNSEL agree to advance the expenses of litigation determined by CO-LEAD COUNSEL, together, to be reasonable and necessary. ***Any and all expenses will be paid by CO-LEAD COUNSEL as a part of the thirty-five percent (35%) fee and will not be reimbursed by CLIENT.***

2.3 **TEX. GOV'T CODE § 2254.104(a):** CO-LEAD COUNSEL shall keep current and complete written time and expense records that describe in detail the time and money spent each day in performing the contract.

2.4 **TEX. GOV'T CODE § 2254.104(b):** CO-LEAD COUNSEL shall permit the governing body or governing officer of the state governmental entity, the attorney general, or other officials as appropriate, to inspect or obtain copies of the time and expense records at any time on request.

2.5 **TEX. GOV'T CODE § 2254.104(c):** On conclusion of the matter for which legal services were obtained, CO-LEAD COUNSEL shall provide CLIENT with a complete written statement that describes the outcome of the matter, states the amount of any recovery, shows CO-LEAD COUNSEL's computation of the amount of the contingent fee and contains the final complete time and expense records required above.

2.6 **TEX. GOV'T CODE § 2254.104(d):** All time and expense records kept in accordance with Section 3.05 are public information subject to required disclosure under Chapter 552 of the Texas Government Code. Information contained in the time and expense records may be withheld from a member of the public under TEX. GOV'T CODE § 552.103 only if, in addition to meeting the requirements of Section 552.103, the chief legal officer or employee of the state governmental entity determines that withholding the information is necessary to protect the entity's strategy or position in pending or reasonably anticipated litigation. Information withheld from public disclosure under this subsection shall be segregated from information that is subject to required public disclosures.

2.7 **TEX. GOV'T CODE § 2254.105(1):** Any contingency fee due hereunder is to be computed by multiplying CLIENT'S gross recovery times thirty-five (35%) percent, subject to the limitations on the amount of such fee as provided in Chapter 2254, Subchapter C of the Texas Government Code.

2.8 **TEX. GOV'T CODE § 2254.105(2):** The contingent fee is thirty-five percent (35%) of the gross recovery regardless of whether the matter is settled, tried, or tried and appealed.

2.9 **TEX. GOV'T CODE § 2254.105(3):** Any and all expenses will be paid by CO-LEAD COUNSEL as a part of the thirty-five percent (35%) fee and will not be reimbursed by CLIENT.

2.10 **TEX. GOV'T CODE § 2254.105(4):** Any subcontracted legal or support services performed by a person who is not a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm is an expense subject to reimbursement only in accordance with Subchapter C, Chapter 2254 of the Texas Government Code.

2.11 **TEX. GOV'T CODE § 2254.105(5):** The amount of the contingent fee under the Agreement will be paid and limited in accordance with Subchapter C, Chapter 2254 of the Texas Government Code and other applicable sections.

2.12 **TEX. GOV'T CODE § 2254.106(a):** The reasonable hourly rate for work performed by an attorney, law clerk, or paralegal who will perform legal or support services under the contract based on the reasonable and customary rate in the relevant locality for the type of work performed and on the relevant experience, demonstrated ability, and standard hourly billing rate, if any, of the person performing the work shall be:

a.	A CRAIG EILAND	$1,000
b.	CARLA BURKE PICKREL	$1,000
c.	BRANDON TAYLOR	$1,000
d.	Jason Julius	$ 800
e.	Brett Land	$ 800
f.	Cary McDougal	$1,000
g.	Scott Summy	$1,000
h.	Celeste Evangelisti	$1,000
i.	David Bonnin	$ 900
j.	Derek Darby	$ 800

Other attorneys employed or subcontracted by CO-LEAD COUNSEL or ASSOCIATED COUNSEL:

k.	Attorneys with 15+ years of litigation experience	$900
l.	Attorneys with 10 to 15 years of litigation experience	$600
m.	Attorneys with 5 to 10 years of litigation experience	$450
n.	Attorneys with 1 to 5 years of litigation experience	$350
o.	Law clerks employed or subcontracted by CO-LEAD COUNSEL or ASSOCIATED COUNSEL	$150
p.	Paralegals employed or subcontracted by CO-LEAD COUNSEL or ASSOCIATED COUNSEL	$200

2.13 **TEX. GOV'T CODE § 2254.106(b):** "Base Fee" shall be calculated as follows: For each attorney, law clerk, or paralegal who is a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm, multiply the number of hours the attorney, law clerk, or paralegal works in providing legal or support services under the contract times the reasonable hourly rate for the work performed by that attorney, law clerk, or paralegal. Add the resulting amounts to obtain the Base Fee. The computation of the Base Fee may not include hours or costs attributable to work performed by a person who is not a contracting attorney or a partner, shareholder, or employee of a contracting attorney or law firm.

2.14 **TEX. GOV'T CODE § 2254.106(c):** Based on the expected difficulties in performing the contract, the amount of expenses expected to be risked by the contractor, the expected risk of no recovery, and any expected long delay in recovery, a reasonable multiplier of any fee payable by CLIENT is four.

2.15 **TEX. GOV'T CODE § 2254.106(d):** In no event shall the contingent fee payable hereunder exceed the lesser of thirty five percent (35%) or the amount computed under TEX. GOV'T CODE § 2254.106(a), (b) and (c).

2.16 **TEX. GOV'T CODE § 2254.106(f):** The requirements of TEX. GOV'T CODE § 2254.106 shall be applicable to each individual recovery that actually exceeds $100,000.

2.17 **TEX. GOV'T CODE § 2254.108:** Payment of fees and expenses are subject to limitations established by TEX. GOV'T CODE § 2254.108.

C. Joint Representation

3.01 CO-LEAD COUNSEL has advised CLIENT that CO-LEAD COUNSEL and ASSOCIATED COUNSEL may represent other Clients ("Other Clients") with claims similar to those of CLIENT. Further, CO-LEAD COUNSEL has advised CLIENT that there are important potential advantages and disadvantages to participating in a joint representation in which CO-LEAD COUNSEL and ASSOCIATED COUNSEL represent multiple Clients pursuing similar claims. CLIENT consents to the law firms' joint representation of CLIENT and such Other Clients. CLIENT agrees that CO-LEAD COUNSEL may mediate or otherwise negotiate CLIENT'S claims in combination with Other Client's claims. If a defendant makes a "global settlement offer" that offers one sum of money to settle more than one CLIENT's claims, then CLIENT agrees that CO-LEAD COUNSEL can share the identity of each jointly-represented CLIENT, the settlement amount proposed for each, and the nature of each jointly-represented CLIENT's claims with all other Clients, including CLIENT—and that CLIENT'S identity and confidential settlement information will also be shared with the other Clients in a "global settlement offer" situation.

3.02 MULTIPLE REPRESENTATIONS. CLIENT understands that Attorneys do or may represent many other entities or individuals with actual or potential PFAS related litigation claims. Attorneys' representation of multiple claimants at the same time may create certain actual or potential conflicts of interest in that the interests and objectives of each CLIENT individually on certain issues are, or may become, inconsistent with the interests and objectives of the other. Attorneys are governed by specific rules and regulations relating to professional responsibility in representation of Clients, and especially where conflicts of interest may arise from representation of multiple Clients against the same or similar defendants, Attorneys must advise Clients of any actual or potential conflicts of interest and obtain their informed written consent to our representation when actual, present, or potential conflicts of interest exist. CLIENT has conferred with its own separate corporate or municipal counsel and has determined that it is in its own best interests to waive any and all potential or actual conflicts of which CLIENT is currently aware as the result of Attorneys' current and continuing representation of other entities in similar litigation. By signing this agreement, CLIENT states that (1) it has been advised of the potential conflicts of interest which may be or are associated with our representation of CLIENT and other multiple claimants; (2) it nevertheless wants Attorneys to represent CLIENT; and (3) CLIENT consents to Attorneys' representation of others in connection with PFAS litigation (AFFF or otherwise). CLIENT remains completely free to seek other legal advice at any time even after signing this agreement.

3.03 AGGREGATE SETTLEMENTS. Often times in cases where Attorneys represent multiple Clients in similar litigation, the opposing parties or defendants attempt to settle or otherwise resolve all of Attorneys' cases in a group or groups, by making a single settlement offer to settle a number of cases simultaneously. There exists a potential conflict of interest whenever a lawyer represents multiple Clients in a settlement of this type because it necessitates choices concerning the allocation of limited settlement amounts among the multiple Clients. However, if all Clients consent, a group settlement can be accomplished and a single offer can be fairly distributed among the Clients by assigning settlement amounts based upon the strengths and weaknesses of each case, the relative nature, severity and extent of injuries, and individual case evaluations. In the event of a group or aggregate settlement proposal, Attorneys may implement a settlement program, overseen by a referee or special master, who may be appointed by a court, designed to ensure consistency and fairness for all claimants, and which will assign various settlement values and amounts to each CLIENT's case depending upon the facts and circumstances of each individual case. CLIENT authorizes Attorneys to enter into and engage in group settlement discussions and agreements that may include CLIENT's individual claims. Although CLIENT authorizes Attorneys to engage in such group settlement discussions and agreements, CLIENT retains the right to approve any settlement of CLIENT's claims, and Attorneys are required to obtain CLIENT's approval before settling CLIENT's claims.

3.04 INDEPENDENT CONTRACTOR. The relationship to CLIENT of Attorneys, and any associate counsel or paralegal provided through Attorneys, in the performance of services under this Agreement is that of CLIENT to independent contractor and not that of CLIENT to employee. No other wording in this Agreement shall stand in derogation of this subparagraph. The fees and costs paid to Attorneys for legal services rendered pursuant to this Agreement shall be deemed revenues of their law office practices and not as remuneration for individual employment apart from the business of that law office.

3.05 DISCLAIMER OF GUARANTEE. Although Attorneys may offer an opinion about possible results regarding the subject matter of this Agreement, Attorneys cannot guarantee any particular result. CLIENT acknowledges that Attorneys have made no promises about the outcome and that any opinion offered by Attorneys in the future will not constitute a promise, guarantee, or warranty.

3.06 ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

3.07 SEVERABILITY IN EVENT OF PARTIAL INVALIDITY. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

3.08 MODIFICATION BY SUBSEQUENT AGREEMENT. The parties may agree to modify this Agreement by executing a new written agreement.

3.09 DISPUTES ARISING UNDER AGREEMENT. CLIENT and Attorneys agree that any controversy, claim, or dispute (including issues relating to the fee) arising out of or relating to this Agreement, its performance, and/or its breach will be resolved by arbitration proceedings before a neutral associated with the Judicial Arbitration and Mediation Services (JAMS). Disagreement as to the fair market value of any non-monetary property or services, however, will be resolved in accordance with paragraph 2.1.

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D. Other Provisions

4.1 This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting same. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, then such provision will be modified to conform to such laws, and the balance of this Agreement will remain in full force and effect. Each waiver in this Agreement is subject to the overriding and governing rule that it will be effective only if and to the extent that (1) it is not prohibited by applicable law and (2) applicable law neither provides for nor allows any material sanctions to be imposed against a party for having bargained for and obtained it. This Agreement is the entire agreement and understanding between the parties in connection with the subject matter of this Agreement and supersedes and cancels all prior agreements and understandings in connection with the subject matter of this Agreement. The Parties may **by mutual agreement** amend or supplement this Agreement at any time and from time to time; provided that that they must do so **in writing**, and **such writing must be signed by CLIENT and CO-LEAD COUNSEL and approved by the ATTORNEY GENERAL OF THE STATE OF TEXAS** as outlined in **TEX. GOV'T CODE** § **2254.1038.**

4.2 The term of this Agreement begins upon date it is executed by the parties and continues until the Representation is concluded. This Agreement shall be of no force or effect until approved in writing by the City Council for the City of San Angelo, Texas.

4.3 This Agreement is subject to review and approval by the ATTORNEY GENERAL OF THE STATE OF TEXAS.

4.4 CO-LEAD COUNSEL represents and warrants that they carry professional liability insurance in the following amounts:

EILAND & BONNIN, PC	$3,000,000
BARON AND BUDD LLP	$3,000,000
COSSICH, SUMICH, PARSIOLA & TAYLOR	$3,000,000

Such insurance will cover all services rendered by or on behalf of CO-LEAD COUNSEL under this Agreement.

4.5 This Agreement shall be governed and interpreted under Texas substantive law and exclusive venue and jurisdiction of any lawsuit or claim arising out of or relating to this Agreement shall lie in the City of San Angelo, Texas.

Effective this the ________________day of ______________________, 2023.

________________________________ ____________________

BRENDA GUNTER, MAYOR Date
CITY OF SAN ANGELO, TEXAS

AGREED BY THE LAW FIRMS:

Signature of Authorized Representative of Co-Lead Counsel

EILAND & BONNIN, PC	Date
BARON & BUDD LLP	Date
COSSICH, SUMICH, PARSIOLA & TAYLOR	Date

APPROVED BY OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF TEXAS:

Deputy Attorney General for the State of Texas	Date

RESOLUTION NO. _______

WHEREAS, The City of San Angelo, Texas intends to pursue claims for monetary damages, declaratory relief, and other legal remedies ("Damages") against manufacturers, designers, marketers, distributors, formulators, promoters, and/or sellers of firefighting foam products (known as "aqueous film-forming foam" or "AFFF") and/or other products containing perfluoroalkyl substances ("PFAS") including PFOA (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds (collectively, "Defendants") as determined for testing, monitoring, remediating and/or treating soil and water contamination (the "Litigation"); and

WHEREAS, The City of San Angelo, Texas' desired outcome in the Litigation is to recover from the Defendants Damages owed to The City of San Angelo, Texas for the possible soil and water contamination by the Defendants' products, in addition to other relief allowed under the law; and

WHEREAS, the Defendants manufactured, designed, marketed, distributed, formulated, promoted and or sold firefighting foam and/or other products containing perfluoroalkyl substances ("PFAS") including PFOS (perfluorooctane sulfonic acid) and PFOA (perfluorooctanic acid), and related compounds; and

WHEREAS, the Defendants' products have been proven to contaminate soil and water; and

WHEREAS, The City of San Angelo, Texas has a substantial need for the legal services of counsel to represent it in the Litigation; and

WHEREAS, The City of San Angelo, Texas requires legal counsel that specialize in complex litigation and are highly knowledgeable and experienced in the legal issues surrounding PFAS and AFFF; and

WHEREAS, The City of San Angelo, Texas now desires to enter into a contingent fee contract ("Contract") for legal services with EILAND & BONNIN, P.C., BARON & BUDD, and COSSICH, SUMICH, PARSIOLA & TAYLOR ("Counselors") to represent The City of San Angelo, Texas in the Litigation; and

WHEREAS, Subchapter C of Chapter 2254 of the Texas Government Code ("Chapter 2254") requires that a political subdivision of the State of Texas, including The City of San Angelo, Texas, may enter into a contingent fee contract for legal services only after: (i) the governing body of the political subdivision has provided written notice to the public stating certain provisions enumerated within Chapter 2254; (ii) the governing body of the political subdivision approved such contract in an open meeting called, in part or in whole, for the purposes of considering such contract; and (iii) the governing body of the political subdivision stated in writing certain findings made by the governing body upon the approval of such contract; and

WHEREAS, before the contingent fee contract for the legal services is effective and enforceable, The City of San Angelo, Texas must receive approval of the Contract by the Office of the Attorney General of Texas; and

WHEREAS, The City of San Angelo, Texas has caused notice of this resolution, this meeting, and certain provisions enumerated within Chapter 2254 to be provided to the public in accordance with the Texas Open Meetings Act and Chapter 2254; and

WHEREAS, the meeting at which this resolution is being considered in an open meeting called, in part or in whole, for the purpose of considering: (i) the City's need for legal counsel to represent it in the Litigation; (ii) terms of the Contract; (iii) the competence, qualifications, and experience of the Counselors; and (iv) the reasons that the Contract is in the best interest of The City of San Angelo, Texas and complies with Chapter 2254; and

WHEREAS, the City Council of The City of San Angelo, Texas hereby finds and determines that the adoption of this resolution is in the best interests of the residents of The City of San Angelo, Texas.

NOW, THEREFORE, BE IT RESOLVED BY The City Council for The City of San Angelo, Texas:

SECTION 1. That the recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council for The City of San Angelo, Texas.

SECTION 2. That the City Council for The City of San Angelo, Texas hereby finds that: (i) there is a substantial need for the legal services to be provided in the Litigation; (ii) the legal services to be provided in the Litigation cannot adequately be performed by the attorneys and supporting personnel currently employed by The City of San Angelo, Texas staff; (iii) the legal services to be provided in the

Litigation cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the Litigation and without imposing an unnecessary cost and burden on The City of San Angelo, Texas' finances; and (iv) the relationship between the City or the City Council and the Counselors is not improper and would not appear improper to a reasonable person.

SECTION 3. That based on the findings by the City Council for The City of San Angelo, Texas described above, the City Council for The City of San Angelo, Texas hereby authorizes the Mayor to execute a legal services contract with EILAND & BONNIN, P.C., BARON & BUDD, and COSSICH, SUMICH, PARSIOLA & TAYLOR, and any other documents in connection therewith, approved as to form by the Mayor, effective only upon approval by the Office of the Attorney General of Texas.

SECTION 4. That it is officially found, determined, and declared that the meeting at which this resolution is adopted way open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551 as amended, Texas Government Code.

SECTION 5. That the City will pay the Counselors a contingency fee (which shall be inclusive of all expenses) in accordance with the rates in Attachment A to this resolution and contingent upon the recovery, if any, by the City in the Litigation.

SECTION 6. That this Resolution shall take effect immediately from and after its passage in accordance with the provisions of the City Council and The City of San Angelo, Texas, and it is accordingly so resolved.

PASSED AND APPROVED this 4th day of May, 2023.

____
Brenda Gunter, Mayor

ATTEST:

____
Heather Stastny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

ATTACHMENT A

The fees for legal services provided by the Counselors in connection with the Litigation are contingent upon the recovery by The City of San Angelo, Texas of Damages in the Litigation and will be paid out of such recover, if any, as follows:

If the Counselors obtain a recovery and collection on behalf of The City of San Angelo, Texas the Counselors will receive attorneys' fees in the amount of Thirty-Five percent (35%) of the gross recovery.

The Counselors will advance all costs associated with the Litigation. Any expenses shall be recovered as part of the 35% fee and not reimbursed further by the City.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

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

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Second reading of an ordinance to rezone property from the Neighborhood Commercial zoning district to a Planned Development (PD23-02) to allow a base zoning of General Commercial also allowing a welding shop and outdoor storage, being 4.651 acres located at 2025 E Houston Harte Expy. (Jon James)

Staff Recommendation:

Adopt

Summary/History:

The applicant has requested to rezone a 4.651-acre property from Neighborhood Commercial (CN) zoning district to a Planned Development (PD) zoning district. This is to allow a base zoning of General Commercial (CG) for a commercial storage facility, but to also allow a welding shop and outdoor storage in excess of what is normally allowed in the CG zoning district. This request includes the property at 2025 Houston Harte and the vacant lot to the south.

The Planning Commission denied this request based on a 2-4 (failed) vote, based on the belief that a welding shop with the associated outdoor storage is not appropriate at this location being near a Single-Family Residential zoning district. The Vision Plan in the City's adopted Comprehensive Plan designates this area as "transitional" and the Planning Commission did not believe that the welding shop represents an appropriate transition to residential. Subsequent to the failed vote to approve, another motion was made to approve rezoning to General Commercial (GC) without the Planned Development additions of the welding shop and outdoor storage.

Please note that two ordinances have been provided showing the two options available for City Council action:

1) an ordinance rezoning to a Planned Development, as originally requested by the applicant, which was recommended for denial by the Planning Commission (and would require a three-fourths majority vote to approve) -- THIS MOTION FAILED ON FIRST READING

2) an ordinance rezoning to General Commercial (CG), as recommended favorably by the Planning Commission, which can be approved by a simple majority. -- THIS MOTION WAS APPROVED ON FIRST READING

Funding Source(s):

Financial Impact:

N/A

Other Information/Recommendation:

At the March 20, 2023 Planning Commission, a motion to approve the applicant's request failed on a 2-4 vote.
A subsequent motion to approve straight General Commercial (CG) zoning was approved by a 6-0 vote.

The Council may approve the recommended change to General Commercial by a simple majority vote. However, approval of the original request of a Planned Development would require a three-fourths majority vote of the entire Council (or 6 affirmative votes).

At the April 18, 2023 City Council meeting, the Council vote on the requested Planned Development failed by a vote of 5-2 (6 affirmative votes were required to approve).
A subsequent motion to approve the rezoning to General Commercial was approved by a vote of 5-2.

Attachments:

1.	PD23-02 Staff Report City Council	PD23-02 Staff Report City Council.pdf
2.	Ordinance (PD23-02) for PD zoning for CC	Ordinance (PD23-02) for PD zoning for CC.docx
3.	Ordinance 2025 Houston Harte for CG zoning for CC	Ordinance 2025 Houston Harte for CG zoning for CC.docx

Presentation:

Jon James

Approvals/Reviews:

Jon James	Created/Initiated
Zachary Rainbow	Approved
Jon James	Approved
Brandon Dyson	Approved
Jon James	Approved
Theresa James	Approved
Heather Stastny	Final Approval

STAFF REPORT

CITY COUNCIL 1ST READING – APRIL 18, 2023
CITY COUNCIL 2ND READING – MAY 2, 2023

APPLICATION TYPE:	CASE:
Planned Development	PD23-02: 2025 Houston Harte

SYNOPSIS:

The applicant has applied to rezone the existing 4.651-acre property from Neighborhood Commercial (CN) zoning district to a Planned Development (PD) zoning district. This is to allow a base zoning of General Commercial (CG) for a commercial storage facility but to also allow a welding shop and outdoor storage at the property located at 2025 Houston Harte and the lot to the south of it.

LOCATION:	LEGAL DESCRIPTION:
2025 Houston Harte and the lot to the South	Acres: 1.861, Lot: 3, Blk: 1, Subd: MARYLOU ADDITION, SEC 2 Acres: 2.790, Abst: A-1854 S-0326, Survey: G SCHUBITZ

SM DISTRICT / NEIGHBORHOOD:	ZONING:	FUTURE LAND USE:	SIZE:
SMD District #4 – Lucy Gonzales Paulann Neighborhood	Neighborhood Commercial (CN)	Transitional	4.651 acres

NOTIFICATIONS:

12 notifications mailed within 200-foot radius on 3/2/2023. Received 0 in favor and 0 in opposition.

STAFF RECOMMENDATION:

The Planning Commission **DENIED** the request to rezone the existing 4.651-acre property from Neighborhood Commercial (CN) zoning district to a Planned Development (PD) zoning district. The PD would allow a base zoning of General Commercial (CG) for a commercial storage facility but to also allow a welding shop and outdoor storage at the property located at 2025 Houston Harte and the lot to the south of it. The Planning Commission recommended **APPROVAL** to rezone to General Commercial (CG) to allow the storage facility but not the welding shop.

PROPERTY OWNER/PETITIONER:

Carter Fentress Engineering, LLC

STAFF CONTACT:

Rae Lineberry
Planner
(325) 657-4210, Extension 1533
rae.lineberry@cosatx.us

Rezonings: 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.*** The subject property is designated "Transitional" which is designed to promote a transition between other zonings. This solid base of commercial where the storage units are will provide a transition between residential and the welding shop.

2. ***Consistent with Zoning Ordinance*****.** ***Whether and the extent to which the proposed special use would conflict with any portion of this Zoning Ordinance.*** The addition of commercial and storage units at this location immediately adjacent to Huston Harte Expressway is a reasonable use.

3. ***Compatible with Surrounding Area*****. Whether and the extent to which the proposed special use is compatible with existing and anticipated uses surrounding the subject land.** Staff believes that the proposed PD is compatible with the surrounding area. The property will act as an interconnected collection of uses to meet the needs of the surrounding housing population.

4. **Changed Conditions.** ***Whether and the extent to which there are changed conditions that require an amendment.*** As indicated, the applicant wants storage units on one side and a welding shop on the other. The property to the south will be used at a later date as possible more storage.

5. ***Effect on Natural Environment*****. Whether and the extent to which the proposed special use would result in significant adverse impacts on the natural environment, including but not limited to water or air quality, noise, stormwater management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.** Staff does not anticipate any negative environmental affects with the proposed PD. Any development will require a review of drainage, grading, and stormwater per normal practice at the time of platting.

6. ***Community Need*****. Whether and the extent to which the proposed special use addresses a demonstrated community need.** As indicated in #1 above, the Comprehensive Plan supports more diverse types of commercial in this area.

7. ***Development Patterns*****. Whether and the extent to which the proposed special use would result in a logical and orderly pattern of urban development in the community.** Approval of this PD will not change the development patterns in the area.

Recommendation:

The Planning Commission **DENIED** the request to rezone the existing 4.651-acre property from Neighborhood Commercial (CN) zoning district to a Planned Development (PD) zoning district. The proposed Planned Development would allow a base zoning of General Commercial (CG) for a commercial storage facility but to also allow a welding shop and outdoor storage at the property located at 2025 Houston Harte and the lot to the south of it.

The Planning Commission recommended **APPROVAL** to rezone to General Commercial (CG) to allow the storage facility but not the welding shop.

The following conditions of approval would apply to the Planned Development, if approved, but will not apply upon rezoning to General Commercial:

1. The applicant shall be required to provide a landscape plan to help buffer the transition from residential to commercial along Montague Avenue and provide additional screening from the residential neighborhood to the west.

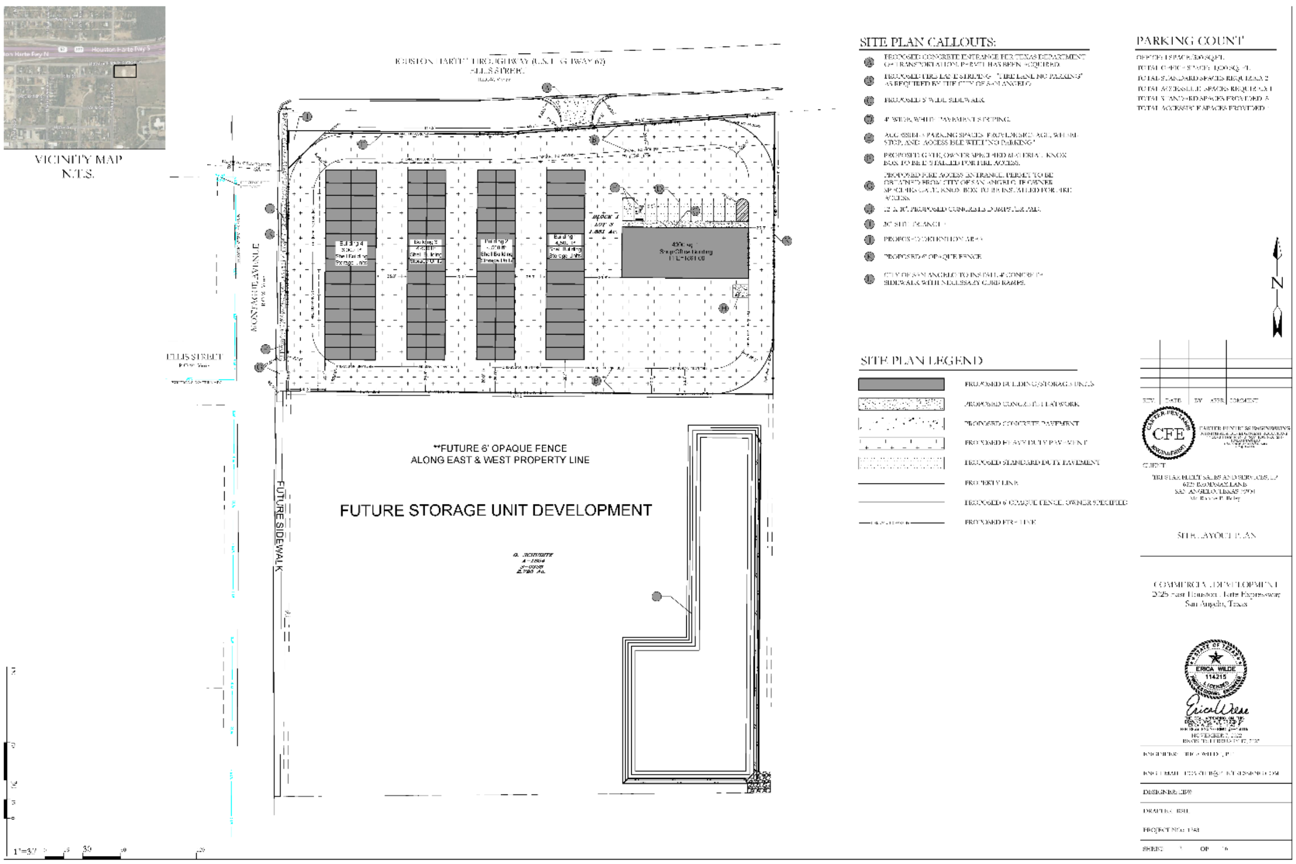
2. All new site lighting on the premises shall be shielded, downward emitting and configured in such as manner as to satisfactorily minimize or eliminate light trespass onto adjacent residential uses or lands.

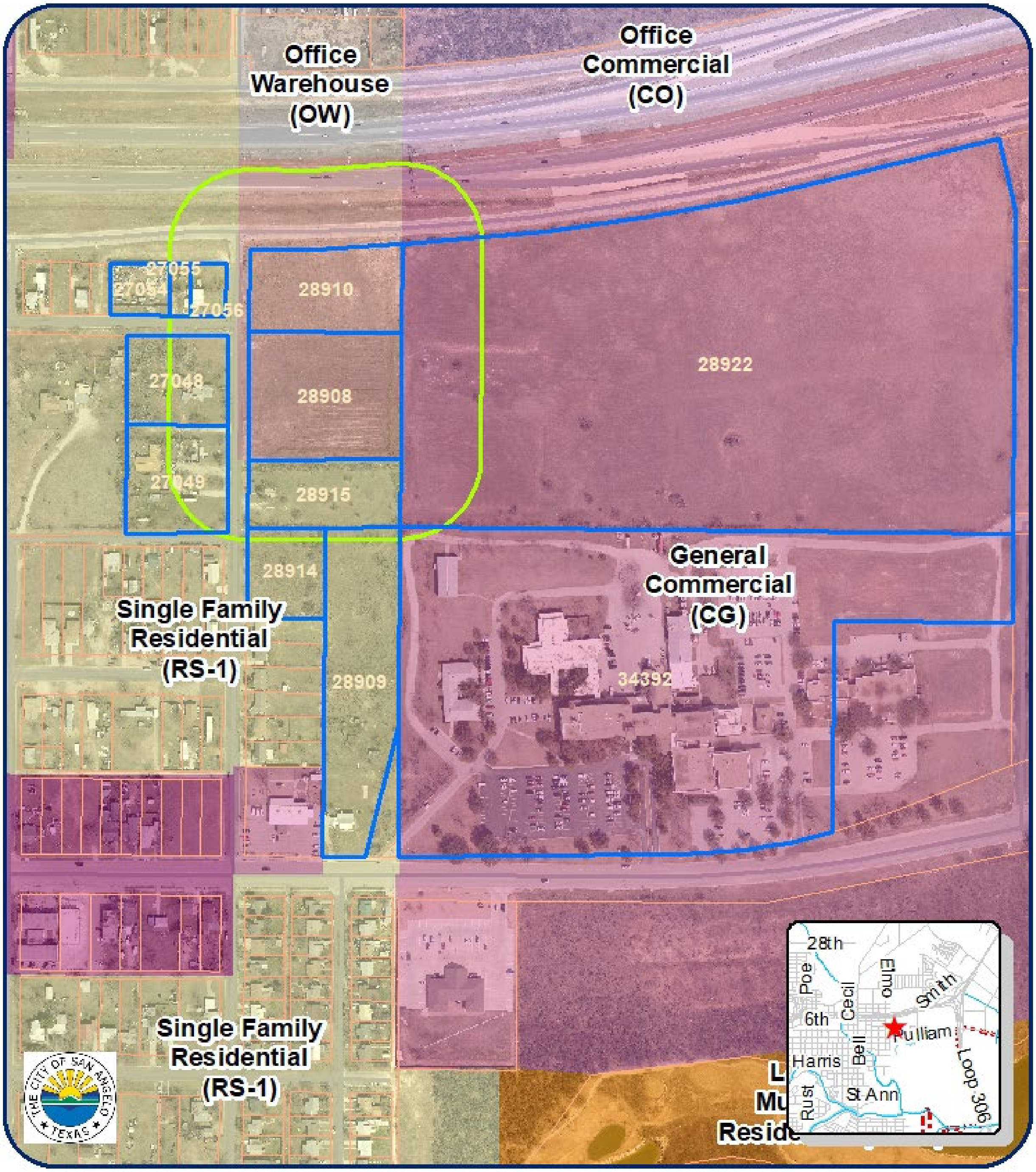
3. No recreational vehicles or mobile homes shall be placed on the premises, nor shall there be any salvage or junk vehicles maintained on the premises.

4. All welding and construction shall be done inside an enclosed building.

Attachments:

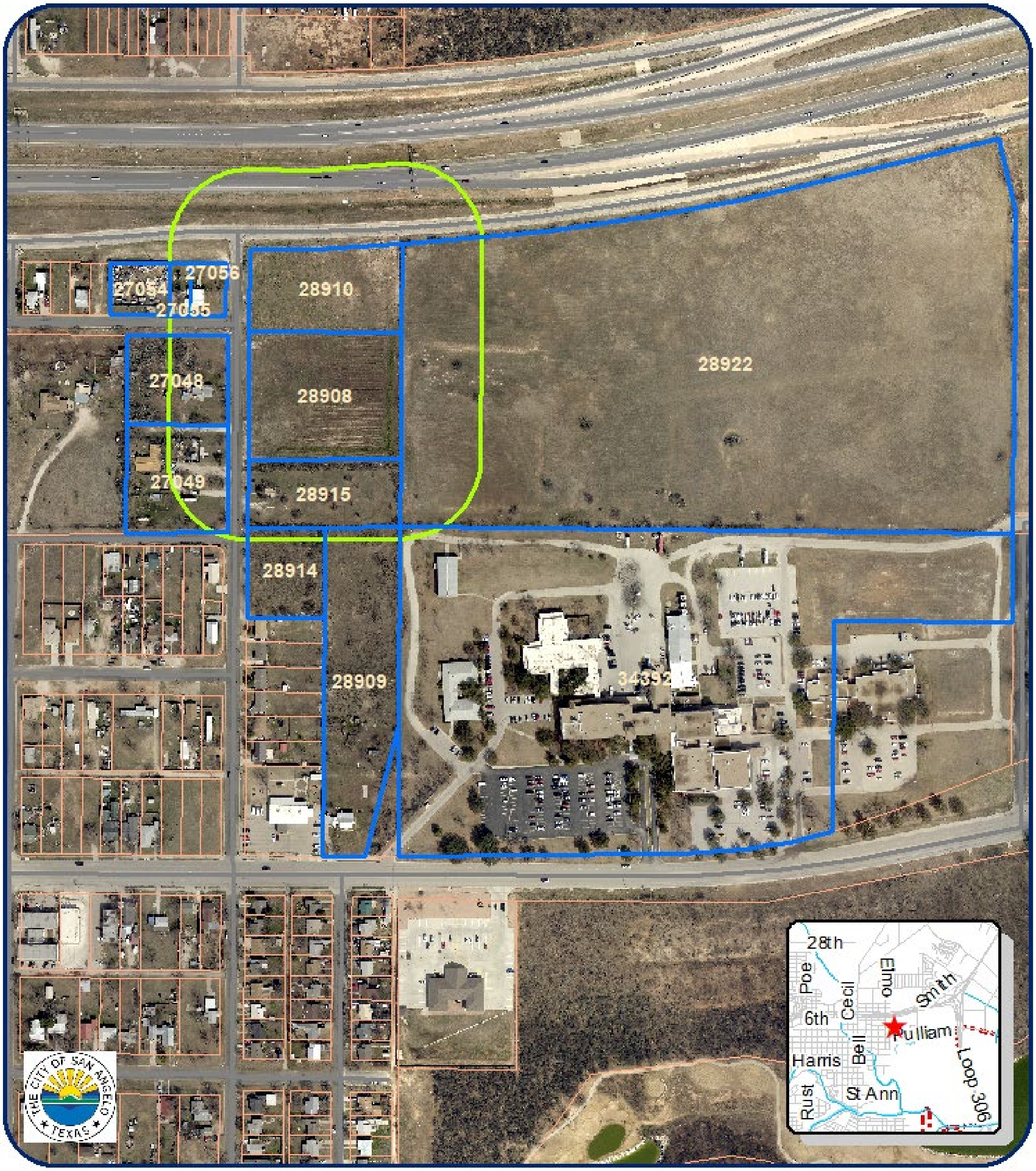
Site Plan
Zoning Map
200-Foot Notification Map


VICINITY MAP
N.T.S.
SITE PLAN CALLOUTS
PARKING COUNT
ELLIS STREET
**FUTURE 6' OPAQUE FENCE
ALONG EAST & WEST PROPERTY LINE
FUTURE STORAGE UNIT DEVELOPMENT
FUTURE SIDEWALK
SITE PLAN LEGEND
CFE
ERICA WILDE
114215



Zoning Map
PD23-02 2025 E Houston Harte
Council District: #4 Lucy Gonzales
Neighborhood: Paulann
Scale: 0 0.015 0.03 0.06 0.09 0.12 Miles

Subject Properties:
200' Buffer:
Notified Properties:
N



200' Notification Map
PD23-02 2025 E Houston Harte
Council District: #4 Lucy Gonzales
Neighborhood: Paulann
Scale: 0 0.015 0.03 0.06 0.09 0.12 Miles

Subject Properties:
200' Buffer:
Notified Properties:

N

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: **APPROXIMATELY 4.651 ACRES LOCATED 2025 HOUSTON HARTE AND THE LOT TO THE SOUTH;** FROM NEIGHBORHOOD COMMERCIAL (CN) TO A PLANNED DEVELOPMENT (PD) ZONING DISTRICT TO ALLOW AN UNDERLYING BASE ZONING OF GENERAL COMMERCIAL (CG) FOR A COMMERCIAL STORAGE FACILITY AND A WELDING SHOP WITH OUTDOOR STORAGE, SUBJECT TO THE DEVELOPMENT STANDARDS AS OUTLINED IN THE ORDINANCE; PROVIDING FOR SEVERABILITY; AND, PROVIDING FOR AN EFFECTIVE DATE

RE: PD23-02: 2025 HOUSTON HARTE AND THE LOT TO THE SOUTH

WHEREAS, on the 20th day of March, 2023, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance, and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to deny the proposed Planned Development (PD23-02) Zoning District to allow for an underlying base zoning of (CG) General Commercial with the use of a commercial storage facility and a welding shop with outdoor storage and subject to the development standards as outlined in the Ordinance, and,

WHEREAS, on the 18th day of April, 2023, City Council held a public hearing on PD23-02, pursuant to published notice, and has considered the application, comments, reports, and recommendation of the Planning Commission and staff, public testimony, and other relevant support materials;

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

SECTION 1: The basic zoning ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit “A” of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described properties permanently zoned PLANNED DEVELOPMENT (PD23-02) ZONING DISTRICT;

The real property is generally located at the corner of Houston Harte Expressway and Montague Avenue; being approximately 1.861 acres of Lot 3, Block 1, Section 2 of Marylou Addition; and 2.790

acres of Abstract A-1854, S-0326, G Schubitz; for a total acre of 4.651; City of San Angelo, Tom Green County, Texas as more particularly described and depicted on Exhibit "A" of this Ordinance.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on **Exhibit "A"** of this Ordinance **("PD Boundary Map")**.

SECTION 3: The use of the hereinabove described property shall be subject to all applicable regulations contained in **Exhibit "B"** of this Ordinance **("Applicable Regulations")**, and Chapter 12 of the Code of Ordinances for the City of San Angelo, as amended.

SECTION 4. The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended herein shall remain in full force and effect.

SECTION 5: 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 6: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **18th day of April, 2023,** and finally PASSED, APPROVED AND ADOPTED on this the **2nd day of May, 2023.**

THE CITY OF SAN ANGELO

____
Brenda Gunter, Mayor

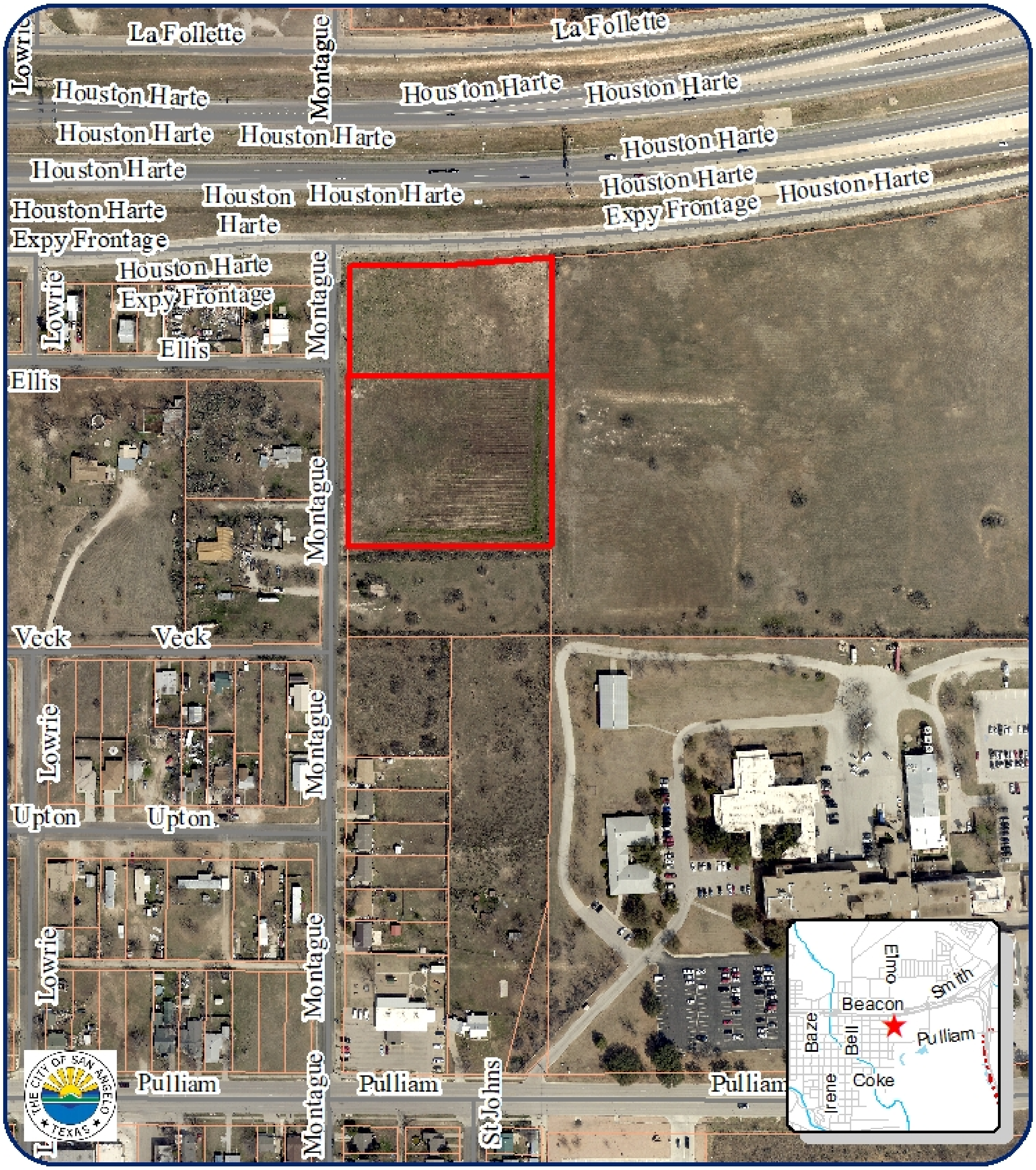
ATTEST:

____
Heather Stastny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

Exhibit “A” (PD Boundary Map)



Aerial Map

PD23-02 2025 E Houston Harte

Council District: #4 Lucy Gonzales

Neighborhood: Paulann

Scale: 0 0.01 0.02 0.04 0.06 0.08 Miles

Subject Properties:

200' Buffer:

Notified Properties:

N

Exhibit "B"

Applicable Regulations

1. Except as otherwise specified, the development of the subject property shall generally conform to the General Commercial (CG) Zoning District standards and also allow a welding shop and outdoor storage.

2. The following development standards shall apply:

    - With the Site Plan application, the applicant shall be required to provide a landscape plan for Planning to review to help buffer the transition from residential to commercial along Montague Avenue and provide additional screening from the residential neighborhood to the west.

    - All new site lighting on the premises shall be shielded, downward emitting and configured in such as manner as to satisfactorily minimize or eliminate light trespass onto adjacent residential uses or lands.

    - No recreational vehicles or mobile homes shall be placed on the premises, nor shall there be any salvage or junk vehicles maintained on the premises.

    - All welding and construction shall be done inside an enclosed building.

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: **APPROXIMATELY 4.651 ACRES LOCATED 2025 HOUSTON HARTE AND THE LOT TO THE SOUTH;** FROM NEIGHBORHOOD COMMERCIAL (CN) TO GENERAL COMMERCIAL (CG) ZONING DISTRICT TO ALLOW A COMMERCIAL STORAGE FACILITY, SUBJECT TO THE DEVELOPMENT STANDARDS AS OUTLINED IN THE ORDINANCE; PROVIDING FOR SEVERABILITY; AND, PROVIDING FOR AN EFFECTIVE DATE

RE: PD23-02: 2025 HOUSTON HARTE AND THE LOT TO THE SOUTH

WHEREAS, on the 20th day of March, 2023, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance, and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to approve the proposed General Commercial (CG) Zoning District to allow for a commercial storage facility and subject to the development standards as outlined in the Ordinance, and,

WHEREAS, on the 18th day of April, 2023, City Council held a public hearing on PD23-02, pursuant to published notice, and has considered the application, comments, reports, and recommendation of the Planning Commission and staff, public testimony, and other relevant support materials;

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

SECTION 1: The basic zoning ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit “A” of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described properties permanently zoned General Commercial (CG) ZONING DISTRICT;

The real property is generally located at the corner of Houston Harte Expressway and Montague Avenue; being approximately 1.861 acres of Lot 3, Block 1, Section 2 of Marylou Addition; and 2.790 acres of Abstract A-1854, S-0326, G Schubitz; for a total acre of 4.651; City of San Angelo, Tom Green County, Texas as more particularly described and depicted on Exhibit “A” of this Ordinance.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on **Exhibit "A"** of this Ordinance **("CG Boundary Map")**.

SECTION 3: 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.

SECTION 4. The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended herein shall remain in full force and effect.

SECTION 5: 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 6: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **18th day of April, 2023,** and finally PASSED, APPROVED AND ADOPTED on this the **2nd day of May, 2023.**

THE CITY OF SAN ANGELO

____
Brenda Gunter, Mayor

ATTEST:

____
Heather Statsny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

Exhibit “A” (CG Boundary Map)

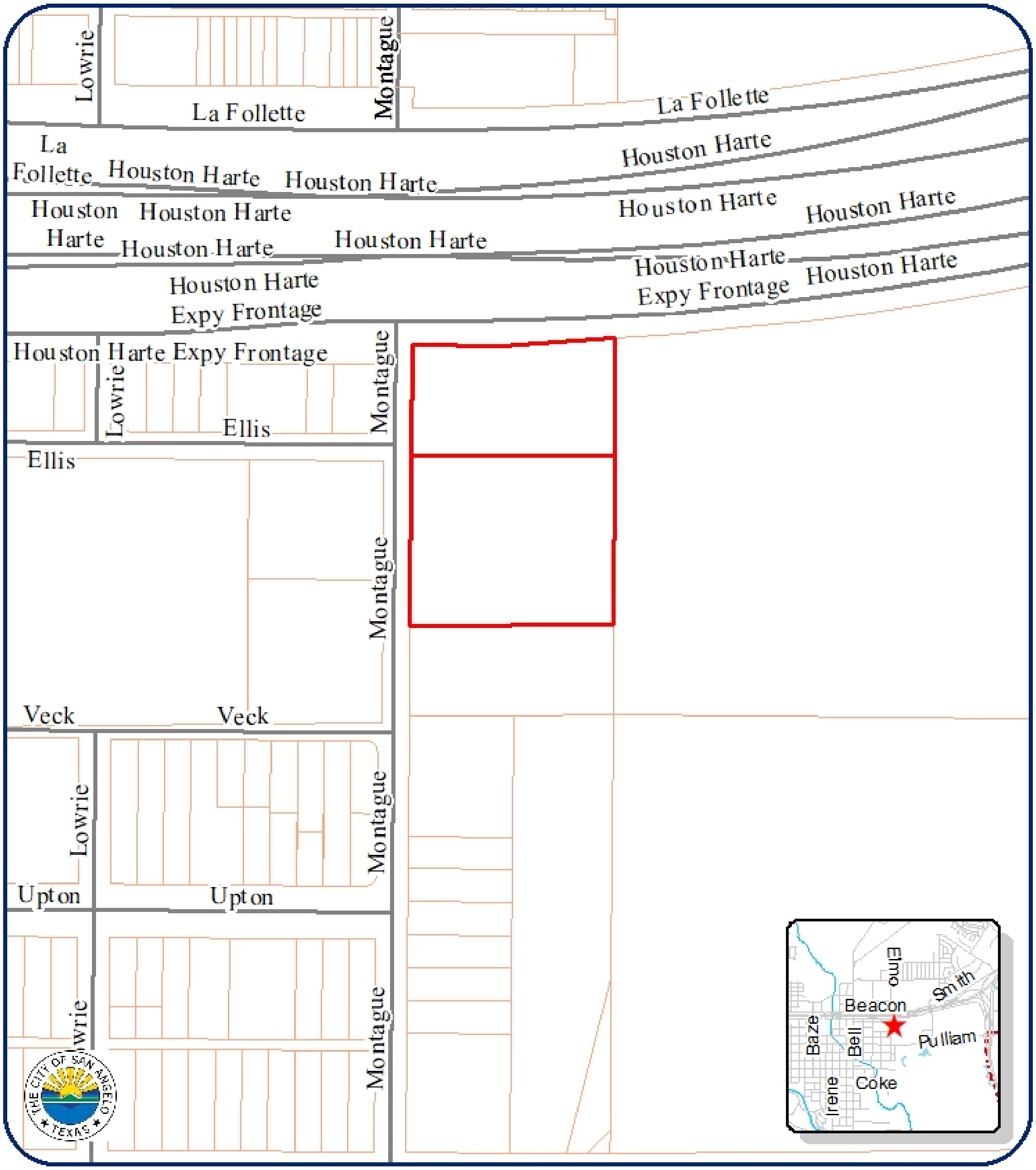


Exhibit Map

2025 E Houston Harte

Council District: #4 Lucy Gonzales

Neighborhood: Paulann

Scale: 0 0.01 0.02 0.04 0.06 0.08 Miles

Subject Properties:

N

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

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

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Second reading of an ordinance to rezone property from a Planned Development (PD02-03) to a new Planned Development (PD23-03), being 9.088-acres located at the southeast corner of Melrose Ave. and Stratford Ave. (Jon James)

Staff Recommendation:

Adopt

Summary/History:

The applicant has applied to rezone the existing 9.088-acre property from existing Planned Development (PD02-03), which encompasses the subject property, as well as a larger area, to a new Planned Development (PD23-03) for the subject property. This proposal is for a Planned Development to allow a base zoning of General Commercial, but to allow additional development flexibility in this district. This is the last piece of The Bluffs property along Melrose Avenue that has undergone many variations over the years. This piece was included when the existing Planned Development was amended for the Creek 27 multifamily development adjacent to the subject property. That current Planned Development does not allow for the range of uses desired by the applicant, which includes storage units on a portion of the property. Based on the recommendation of the Planning Commission, storage units will be limited to Lot 2 of Section 2 Hardin Addition, with a commercial development yet to be determined on the front parcel. That way the property along the Expressway frontage will not include storage units, but hopefully higher quality, more attractive commercial development. Landscaping and sidewalks are required along Houston Harte Expressway and Melrose Avenue, and a landscape buffer along Creek 27.

Funding Source(s):

Financial Impact:

N/A

Other Information/Recommendation:

On March 20, 2023, the Planning Commission unanimously recommended approval.
At the April 18, 2023 City Council meeting, the Council voted unanimously to APPROVE this item by a vote of 7-0.

Attachments:

1.	Staff Report (PD23-03)	Staff Report (PD23-03).pdf
2.	Ordinance (PD23-03)	Ordinance (PD23-03).pdf

Presentation:

Jon James

Approvals/Reviews:

Jon James	Created/Initiated
Zachary Rainbow	Approved
Jon James	Approved
Brandon Dyson	Approved
Jon James	Approved
Theresa James	Approved
Heather Stastny	Final Approval

PLANNING COMMISSION – March 20, 2023
STAFF REPORT

APPLICATION TYPE:	CASE:
Planned Development	PD23-03: Amendment to PD02-03

SYNOPSIS:

The applicant has applied to rezone the existing 9.088-acre property from an existing Planned Development, with a base zoning of Low Rise Multifamily Residential (RM-1), to a new Planned Development with a base zoning of General Commercial (CG). This proposal is to allow a base zoning of General Commercial but also to allow for some flexibility in this district. This is the last piece of The Bluffs property along Melrose Avenue that has undergone many variations over the years. This piece was inadvertently included when the Creek 27 multifamily, small home rental property development was rezoned to Planned Development. That inclusion requires the present applicant to rezone to accomplish his development plan for storage units on Lot 2, of Section 2, Hardin Addition with a commercial development yet to be determined on the front parcel. Landscaping along Houston Harte Expressway is required for both Lots 2 and 3 in Block 1, Section 2 of Hardin Addition at the time of approval of the building permit/site plan. Landscaping along Melrose Ave is required for Lot 3 at the building permit stage. Landscaping along the northwest border between Creek 27 and Hardin Addition Section 2 is required as part of the initial development of both Lots 2 and 3. Sidewalks along Houston Harte Expressway are required for both Lots 2 and 3 in Block 1, and along Melrose Avenue in Lot 3 at the time of Building permit/site plan approval.

LOCATION:	LEGAL DESCRIPTION:
Melrose Avenue and Stratford Avenue	Abst: A-3944 S-0001, Survey: A.E. WHITE, 14.248 Acres

SM DISTRICT / NEIGHBORHOOD:	ZONING:	FUTURE LAND USE:	SIZE:
SMD District #6 – Larry Miller Bluffs Neighborhood	RS-3 and RM-1 to CG	C-Commercial	9.088 acres

NOTIFICATIONS:

9 notifications were mailed within a 200-foot radius on March 1, 2023. Zero responses have been received either for or against.

STAFF RECOMMENDATION:

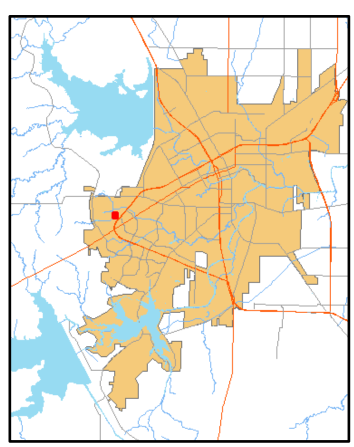
Staff recommends **APPROVAL** of a rezoning from the Low Rise Multifamily Residential (RM-1) Zoning Districts to a Planned Development (PD) Zoning District to allow an underlying base zoning of General Commercial (CG) with storage units on Lot 2, Section 2, and General Commercial development on Lot 3, Section 2. The Planned Development Ordinance, being 9.088 acres, located southeast of Stratford Ave. & Melrose Ave. intersection.

PROPERTY OWNER/PETITIONER:

Applicant: David Poster
Applicants Representative: Erica Wilde -Carter-Fentress Eng.

STAFF CONTACT:

Sherry Bailey
Senior Planner
(325) 657-4210, Extension 1546
sherry.bailey@cosatx.us



Rezonings: 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.*** The subject property is designated "Commercial" which is designed to promote a solid base of commercial support to generate and support jobs and meet residents' needs.

2. ***Consistent with Zoning Ordinance*.** ***Whether and the extent to which the proposed special use would conflict with any portion of this Zoning Ordinance.*** The addition of commercial and storage units at this location immediately adjacent to Huston Harte Expressway is a reasonable use.

3. ***Compatible with Surrounding Area*.** **Whether and the extent to which the proposed special use is compatible with existing and anticipated uses surrounding the subject land.** Staff believes that the proposed PD is compatible with the surrounding area. The property will act as an interconnected collection of uses to meet the needs of the surrounding housing population.

4. **Changed Conditions.** ***Whether and the extent to which there are changed conditions that require an amendment.*** As indicated, the applicant wants storage units on Lot 2 and commercial uses on Lot 3. The interaction of the two lots will be supportive to the adjacent multiple-family units and single-family units.

5. ***Effect on Natural Environment*.** **Whether and the extent to which the proposed special use would result in significant adverse impacts on the natural environment, including but not limited to water or air quality, noise, stormwater management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.** Staff does not anticipate any negative environmental affects with the proposed PD. Any development will require a review of drainage, grading, and stormwater per normal practice at the time of platting.

6. ***Community Need*.** **Whether and the extent to which the proposed special use addresses a demonstrated community need.** As indicated in #1 above, the Comprehensive Plan supports more diverse types of commercial in this area.

7. ***Development Patterns*.** **Whether and the extent to which the proposed special use would result in a logical and orderly pattern of urban development in the community.** Approval of this PD will not change the development patterns in the area.

Recommendation:

Staff recommends that the Planning Commission recommend the **APPROVAL** of rezoning from Planned Development, PD02-03, to a Planned Development, PD23-03, with an underlying base zoning of General Commercial (CG) and the following additional conditions:

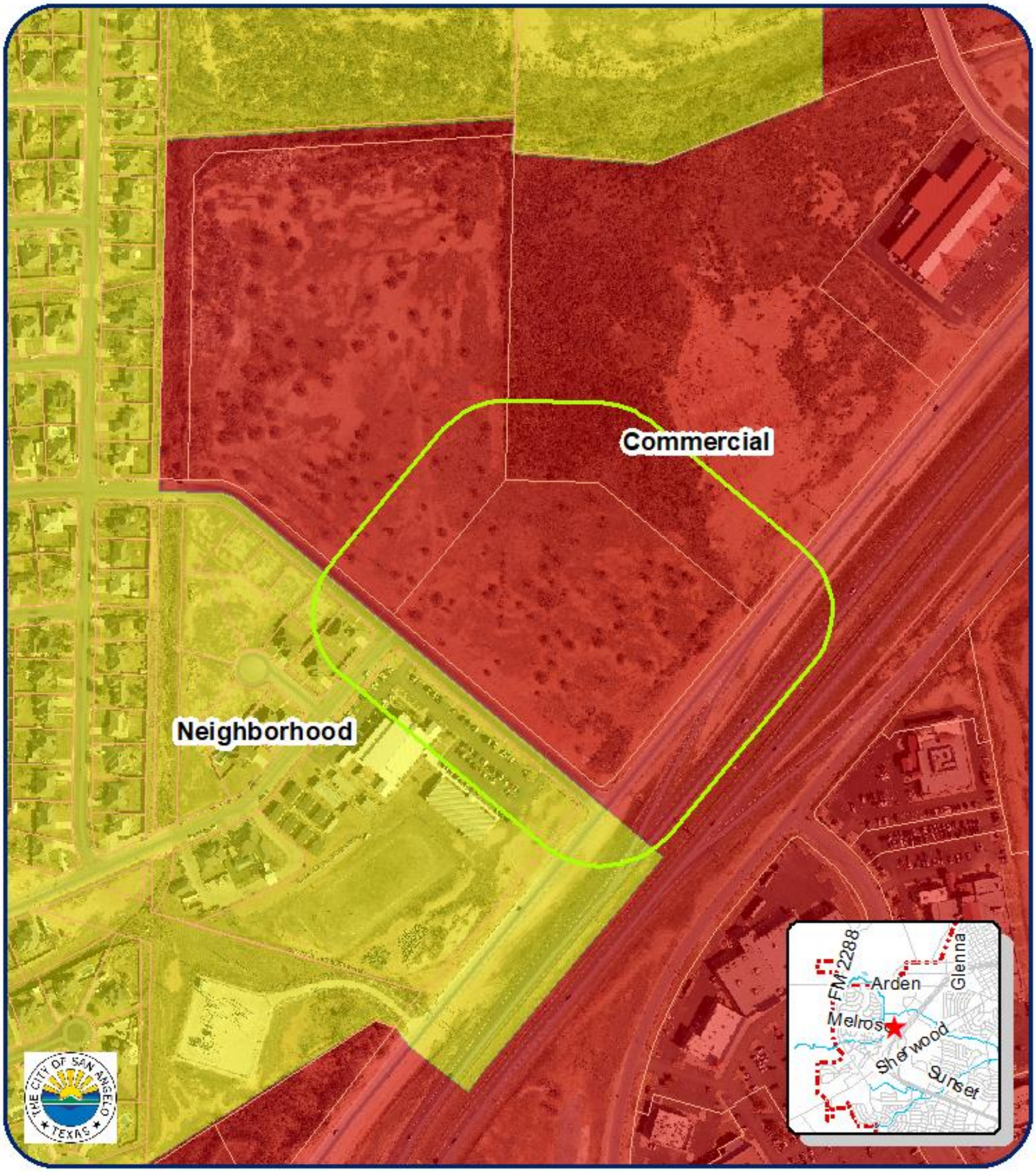
- Storage units shall be an additional allowed use on Lot 2 of Section 2 of the Hardin Addition.
- Landscaping per an approved Urban Design Review is required along Melrose Ave for Lot 3 at the building permit stage.
- Landscaping per an approved Urban Design Review is required along the northwest border between Creek 27 and Hardin Addition Section 2 as part of the initial development of both Lots 2 and 3.
- Sidewalks along Houston Harte Expressway are required for both Lots 2 and 3 in Block 1.
- Sidewalks along Melrose Avenue in Lot 3 are required at the time of building permit/site plan approval.

Attachments:

Aerial Map
Future Land Use Map
Zoning Map
200-Foot Notification Map

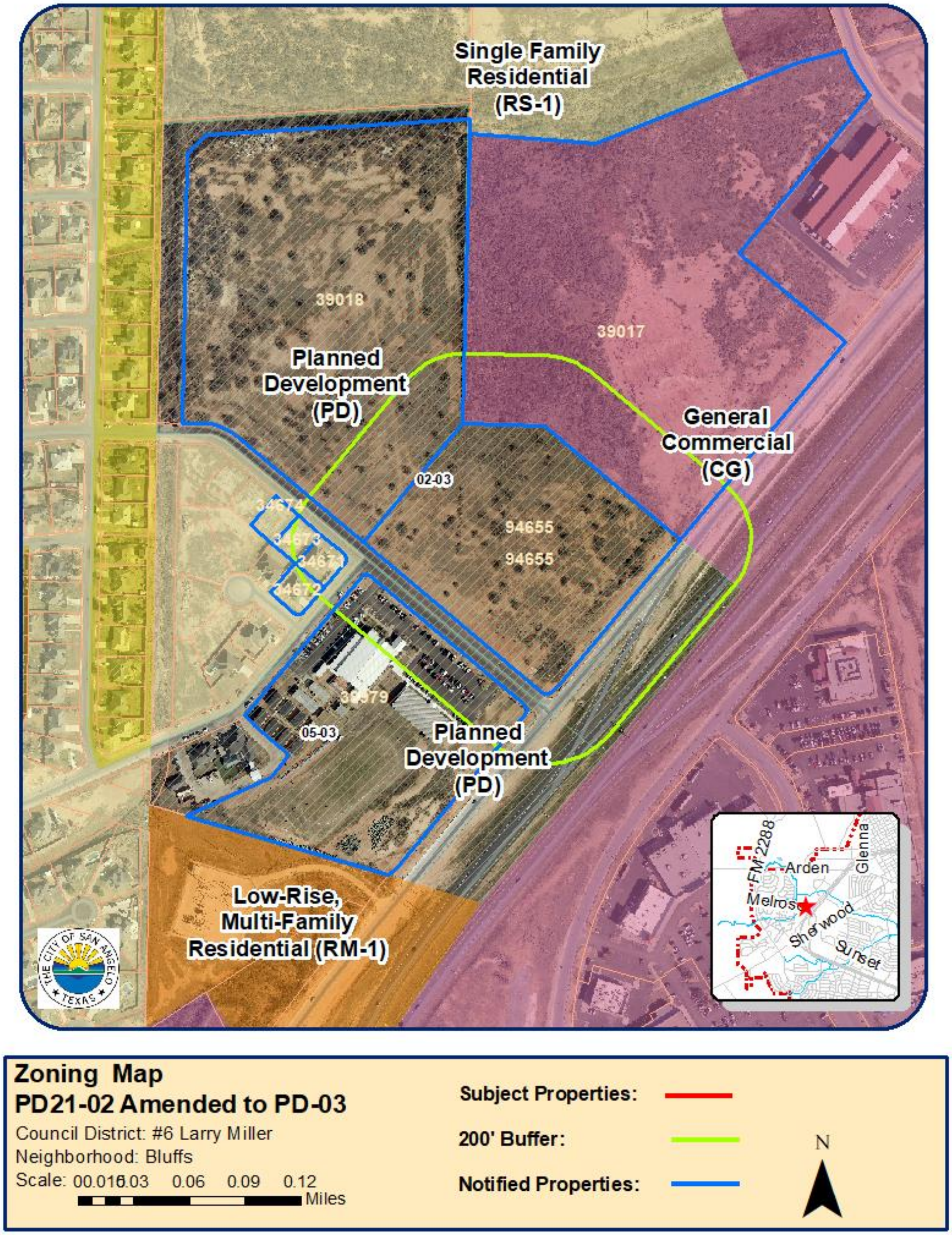
200 Notification Map
PD21-02 Amended to PD-03
Council District: #6 Larry Miller
Neighborhood: Bluffs
Scale: 0 0.015 0.03 0.06 0.09 0.12 Miles

Subject Properties:
200' Buffer:
Notified Properties:
N



Future Land Use Map
PD21-02 Amended to PD-03
Council District: #6 Larry Miller
Neighborhood: Bluffs
Scale: 0 0.015 0.03 0.06 0.09 0.12 Miles

Subject Properties:
200' Buffer:
Notified Properties:
N


Single Family Residential (RS-1)
39018
39017
Planned Development (PD)
General Commercial (CG)
02-03
94655
94655
34674
34673
34671
34672
39979
05-03
Planned Development (PD)
Low-Rise, Multi-Family Residential (RM-1)
FM 2288
Arden
Glenna
Melrose
Sherwood
Sunset
THE CITY OF SAN ANGELO TEXAS
Zoning Map
PD21-02 Amended to PD-03
Council District: #6 Larry Miller
Neighborhood: Bluffs
Scale: 0 0.015 0.03 0.06 0.09 0.12 Miles
Subject Properties:
200' Buffer:
Notified Properties:
N

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: **APPROXIMATELY 9.088 ACRES LOCATED SOUTHEAST OF MELROSE AVENUE AND STRATFORD AVENUE;** FROM THE PLANNED DEVELOPMENT WITH AN UNDERLYING ZERO LOT LINE, TWINHOME AND TOWNHOME RESIDENTIAL (RS-3) TO A PLANNED DEVELOPMENT (PD) ZONING DISTRICT TO ALLOW UNDERLYING BASE ZONING OF GENERAL COMMERCIAL (CG) SUBJECT TO THE DEVELOPMENT STANDARDS AS OUTLINED IN THE ORDINANCE; PROVIDING FOR SEVERABILITY; AND, PROVIDING FOR AN EFFECTIVE DATE

RE: PD23-03: SOUTHEAST OF MELROSE AVENUE AND STRATFORD AVENUE

WHEREAS, on the 20th day of March, 2023, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance, and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to approve the proposed Planned Development (PD23-03) Zoning District to allow for an underlying base zoning of (CG) General Commercial with the use of storage units and a future commercial center and subject to the development standards as outlined in the Ordinance, and,

WHEREAS, on the 18th day of April, 2023, City Council held a public hearing on PD23-03, pursuant to published notice, and has considered the application, comments, reports, and recommendations of the Planning Commission and staff, public testimony, and other relevant support materials;

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

SECTION 1: The basic zoning ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit "A" of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described properties permanently zoned PLANNED DEVELOPMENT (PD23-03) ZONING DISTRICT:

The real property is generally located southeast of the intersection of Stratford Avenue and Melrose Avenue and north of Houston Harte Expressway; being approximately 9.088 acres in the A-3944 S-

0001 Survey, A.E. White; City of San Angelo, Tom Green County, Texas as more particularly described and depicted on Exhibit "A" of this Ordinance.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on **Exhibit "A"** of this Ordinance **("PD Boundary Map")**.

SECTION 3: The use of the hereinabove described property shall be subject to all applicable regulations contained in **Exhibit "B"** of this Ordinance **("Applicable Regulations")**, and Chapter 12 of the Code of Ordinances for the City of San Angelo, as amended.

SECTION 4. The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended herein shall remain in full force and effect.

SECTION 5: 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 6: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **18th day of April, 2023,** and finally PASSED, APPROVED AND ADOPTED on this the **2nd day of May, 2023.**

THE CITY OF SAN ANGELO

____
Brenda Gunter, Mayor

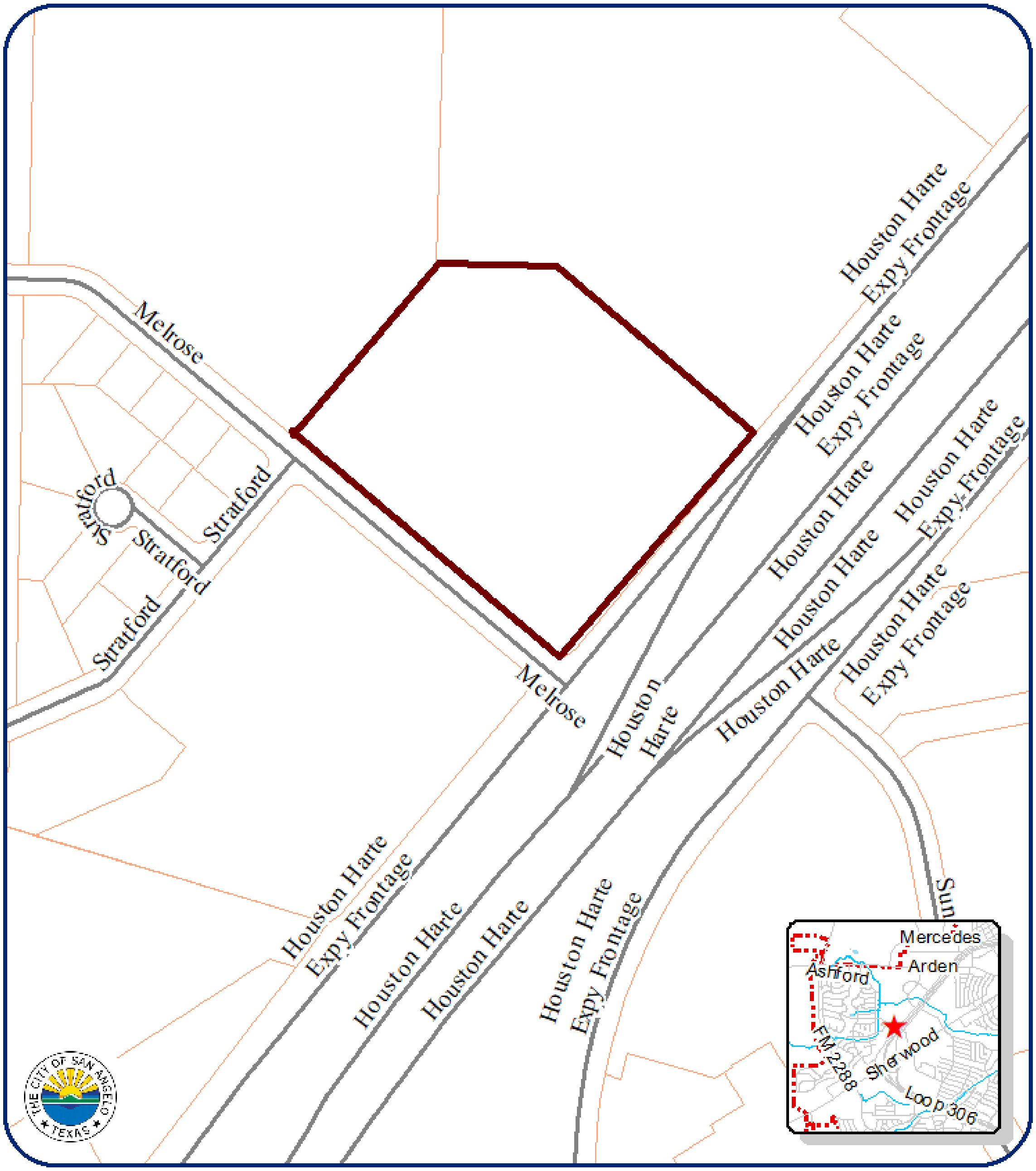
ATTEST:

____
Heather Stastny, City Clerk

APPROVED AS TO FORM:

____
Theresa James, City Attorney

Exhibit "A" (PD Boundary Map)



PD21-02 Amendment/
PD23-03

Council District: #6 Larry Miller
Neighborhood: Bluffs
Scale: 0 0.0125 0.025 0.05 0.075 0.1 Miles

Subject Properties:

N

Exhibit "B"

Applicable Regulations

1. Except as otherwise specified, the development of the subject property shall generally conform to the General Commercial (CG) Zoning District standards.

2. The following development standards shall apply:

    - Storage units shall be an additional allowed use on Lot 2 of Section 2 of the Hardin Addition.

    - Landscaping per an approved Urban Design Review is required along Melrose Ave for Lot 3 at the building permit stage.

    - Landscaping per an approved Urban Design Review is required along the northwest border between Creek 27 and Hardin Addition Section 2 as part of the initial development of both Lots 2 and 3.

    - Sidewalks along Houston Harte Expressway are required for both Lots 2 and 3 in Block 1.

    - Sidewalks along Melrose Avenue in Lot 3 are required at the time of building permit/site plan approval.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

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

Meeting Date: May 4, 2023

Item type: Consent Item

Caption:

Second reading of an ordinance to rezone property from the Single-Family Residential zoning district to a Planned Development (PD23-04) to allow reduced setbacks and an increase in the maximum Floor Area Ratio, being 9.595 acres located along Riviera Ct., south of Club House Ln. (Jon James)

Staff Recommendation:

Adopt

Summary/History:

The applicant's original rezoning request was for approval of RS-1 to RS-3. Due to concerns raised by surrounding property owner(s) at the February 20, 2023 Planning Commission, the applicant, at the suggestion of the PC, withdrew that request and replaced it with a request to rezone a 9.595 acre piece of property from Single-Family Residential (RS-1) to PD23-04 (Planned Development) to allow reduced setbacks and an increase in the maximum Floor Area Ratio (FAR) from 0.40 to 0.60 (allowing for a larger home on a RS-1 lot). The Planned Development would have a base zoning of Single-Family Residential District (RS-1). The subject property encompasses Lots 17-40, Block 108, Section 45, Bentwood Country Club Estates. These lots are located along Riviera Court, south of Club House Lane.

These existing lots average 60 feet in width by 120 feet in depth (7,200 square feet in area). These lots are approximately 55% smaller in lot area than adjacent Bentwood subdivisions. The original zoning of RS-1 was approved in December of 2020. A similar request that could have allowed a wider range of housing types was withdrawn from consideration at the February 2023 PC Meeting. This Planned Development request is intended to accomplish the applicant's desired plans while addressing the neighborhood concerns.

The specific modifications for this Planned Development are as follows:

1.) Reducing the interior side setbacks from 5 foot minimum to as little as 0 feet (one side, total of 10' min for both) - this is equivalent to zero lot line housing;

2.) Increase the allowable Floor Area Ratio (FAR) from 0.40 to 0.60 (allowing for a larger home on a RS-1 lot); and

3.) Reducing the minimum front setback from 25 feet to 20 feet, which per the applicant would better accommodate side entry garages.

The intent of this rezoning is to allow the applicant to provide more housing choices on similar-sized lots.

Funding Source(s):

Financial Impact:

N/A

Other Information/Recommendation:

At their March 20, 2023 meeting the Planning Commission voted unanimously to recommend APPROVAL by a vote of 7-0.
At the April 18, 2023 City Council meeting, the Council voted unanimously to APPROVE this item by a vote of 7-0.

Attachments:

1.	PD23-04 Staff Report	PD23-04 Staff Report.docx
2.	PD23-04 Ordinance	PD23-04 Ordinance.docx

Presentation:

Jon James

Approvals/Reviews:

Jon James	Created/Initiated
Zachary Rainbow	Approved
Jon James	Approved
Brandon Dyson	Approved
Jon James	Approved
Theresa James	Approved
Heather Stastny	Final Approval

STAFF REPORT – PD23-04

City Council, 1st reading – April 18, 2023
City Council, 2nd reading – May 4, 2023

APPLICATION TYPE:	CASES:
Rezoning	PD23-04 (Z23-03): Lots 17-40, Block 108, Section 45, Bentwood Country Club Estates

SYNOPSIS:

The applicant has requested to rezone a 9.595 acre piece of property from Single-Family Residential (RS-1) to PD23-04 (Planned Development) to allow reduced setbacks and an increase in the maximum Floor Area Ratio (FAR) from .40 to .60 (allowing for a larger home on a RS-1 lot), with a base Single-Family Residential District (RS-1), for Lots 17-40, Block 108, Section 45, Bentwood Country Club Estates. Located along Riviera Court, South of Club House Lane. The majority of lots platted currently average 60-feet (w) by 120-feet (d) (7,200 square feet in area), approximately 55% smaller in lot area than adjacent Bentwood subdivisions. The original zoning to RS-1 was approved in December of 2020 and a similar request was withdrawn from consideration at the February 2023 PC Meeting. Therefore the reason for the PD request. If approved, the rezoning will allow for a single-family residential neighborhood, with some modifications to the Zoning District standards. The specific modifications for this request are as follows; 1.) Reducing the interior side setbacks from 5'min to as few as 0'min (one side, total of 10' min for both), 2.) Increase Floor Area Ratio (FAR) from .40 to .60 (allowing for a larger home on a RS-1 lot), and 3.) Reducing the front setback from 25'min to 20'min (to accommodate for side entry garages). This will allow for the applicant to provide more housing choices on similar sized lots consistent with the Comprehensive Plan. Having mixed housing types in one development to address a variety of needs as families mature.

LOCATION:	LEGAL DESCRIPTION:
Located along Riviera Court, South of Club House Lane	Lots 17-40, Block 108, Section 45, Bentwood Country Club Estates

SM DISTRICT / NEIGHBORHOOD:	ZONING:	FUTURE LAND USE:	SIZE:
SM District: SMD 1- Hiebert Neighborhood: Country Club	RS-1 to PD23-04	N-Neighborhood	9.6+/- acres

NOTIFICATIONS:

Notifications (Updated) for PD23-04 were mailed within a 200-foot radius on March 9, 2023. Zero responses have been received either for or against.

STAFF RECOMMENDATION:

Staff recommends **APPROVAL** of rezoning from Single-Family Residential (RS-1) to PD23-04 (Single-Family Residential- (RS-1 Base Zoning)) Residential Zoning District. Changing 9.6+/- acres in Bentwood Country Club Estates, Sect. 45, to PD23-04. At their March 20, 2023, PLANNING COMMISSION voted unanimously to recommend **APPROVAL.** 7-0

PROPERTY OWNER/PETITIONER:

Applicants: Bentwood C.C. L.L.C., Kevin Collins
SKG Engineering, LLC

STAFF CONTACT:

Zack Rainbow
Planning Manager
(325) 657-4210
zachary.rainbow@cosatx.us

Additional Information: The proposed rezoning and any subsequent development of the lots will be consistent with the Neighborhood Future Land Use in the City's Comprehensive Plan, 2009 Strategic Plan update. The Neighborhood policies call to "promote neighborhood diversity and security by encouraging a mix of age, income, and housing choices within San Angelo neighborhoods." As mentioned, this will allow for the applicant to provide more housing choices on similar sized lots consistent with the Comprehensive Plan.

Comprehensive Plan Amendments and Rezonings: 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 as outlined in #1 through #7 below. Comprehensive Plan Amendments and Rezonings are reviewed in the context of the San Angelo Strategic Plan, the 2009 Update to the Comprehensive Plan and outlined in #1 below:

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.*** Staff believes changing the zoning designation from RS-1 to a PD is consistent with the policies stated in the Plan. The intent of the land use slated for this property is such that they will benefit from the variety of single-family housing options and complement those surrounding single-family residential uses. The applicant wants to provide a variety of traditional housing options, on similarly sized lots in close proximity to each other. This zoning would also give them the flexibility to meet the needs of the market as it evolves.

2. **Consistent with Zoning Ordinance.** ***Whether and the extent to which the proposed amendment would conflict with any portion of this Zoning Ordinance.*** The proposed zoning change from Single-Family Residential (RS-1) to PD23-04, with varying residential types is designed to provide for a comprehensive approach for both the residential uses as varying lot sizes.

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.*** Staff believes that the proposed PD is compatible with the surrounding area and existing lots in the Bentwood Country Club neighborhood. Even if approved with an allowance for zero lot line development, each lot is still required to have a total of 10'min for both sides, and be separated from any structure on another lot by 10'min. and meet the minimum Building Codes.

4. **Changed Conditions.** ***Whether and the extent to which there are changed conditions that require an amendment.*** The applicant is seeking to introduce a more well-rounded residential opportunity for a variety of needs.

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, stormwater management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.*** Staff does not anticipate

any negative environmental affects with the proposed PD.

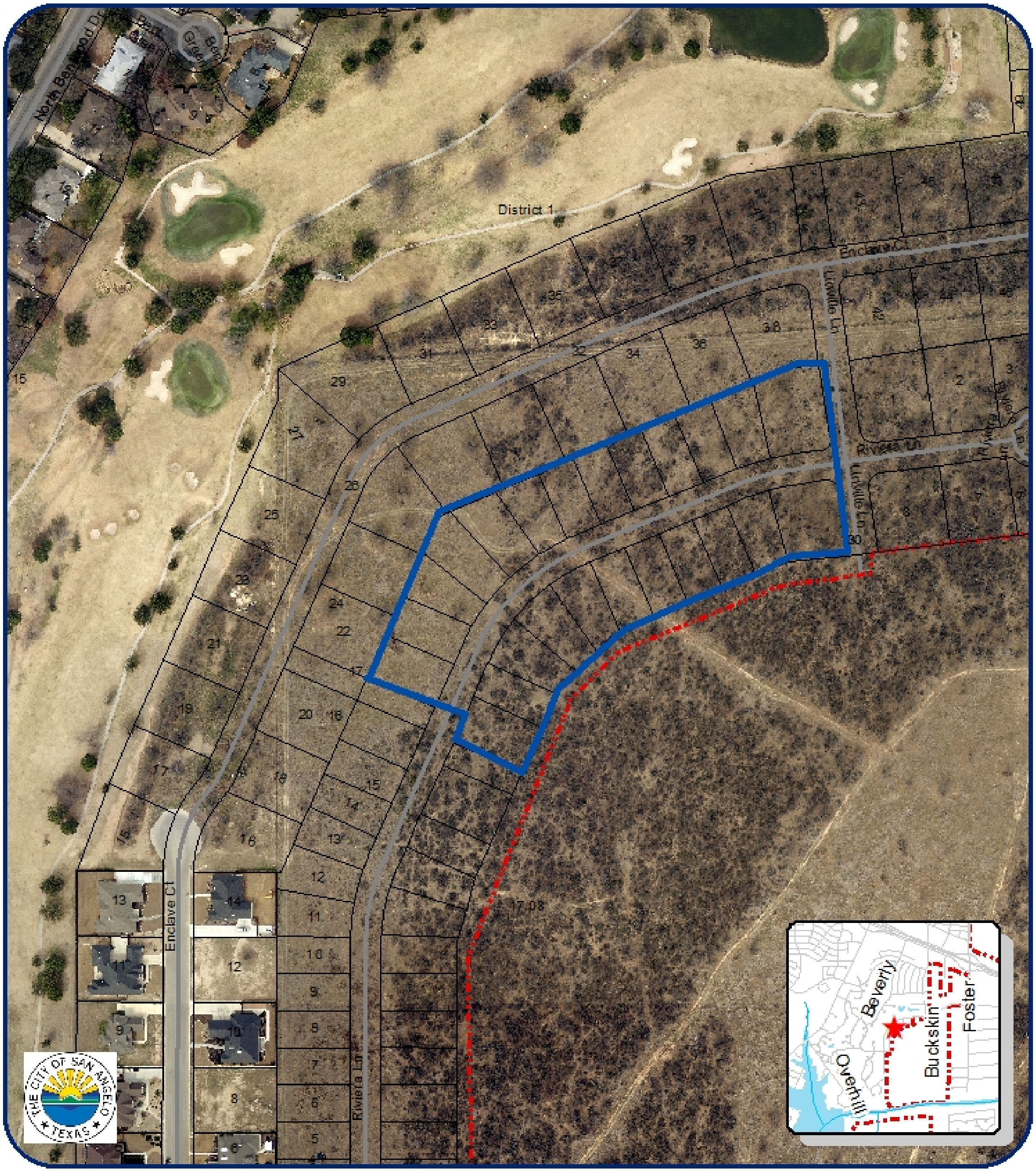
6. **Community Need.** ***<u>Whether and the extent to which the proposed amendment addresses a demonstrated community need.</u>*** The proposed Rezoning will be consistent with the Neighborhood Future Land Use in the City's Comprehensive Plan, 2009 Strategic Plan update. The Neighborhood policies call to "promote neighborhood diversity and security by encouraging a mix of age, income, and housing choices within San Angelo neighborhoods." This provides for a variety of housing types, while still providing the surrounding residents with a reasonable expectation of the future development allowed. Such as surrounding housing types, and uses around them.

7. **Development Patterns.** ***<u>Whether and the extent to which the proposed amendment would result in a logical and orderly pattern of urban development in the community.</u>*** The development patterns for the area are established residentially zoned lots, and the rezoning is designed to be responsive to whenever a variety of housing needs may surface on the same sized, residentially zoned lot.

<u>Recommendation</u>:

Staff recommends **APPROVAL** of a rezoning from Single-Family Residential (RS-1) to PD23-04 (Single-Family Residential- (RS-1 Base Zoning)) Residential Zoning District and the specific modifications as stated above.
At their February 21, 2023, **PLANNING COMMISSION** voted unanimously to recommend **APPROVAL**. 7-0.

Existing Plat Map
Zoning Map
Applications



200' Notification Map
Z23-01 Riviera Lane

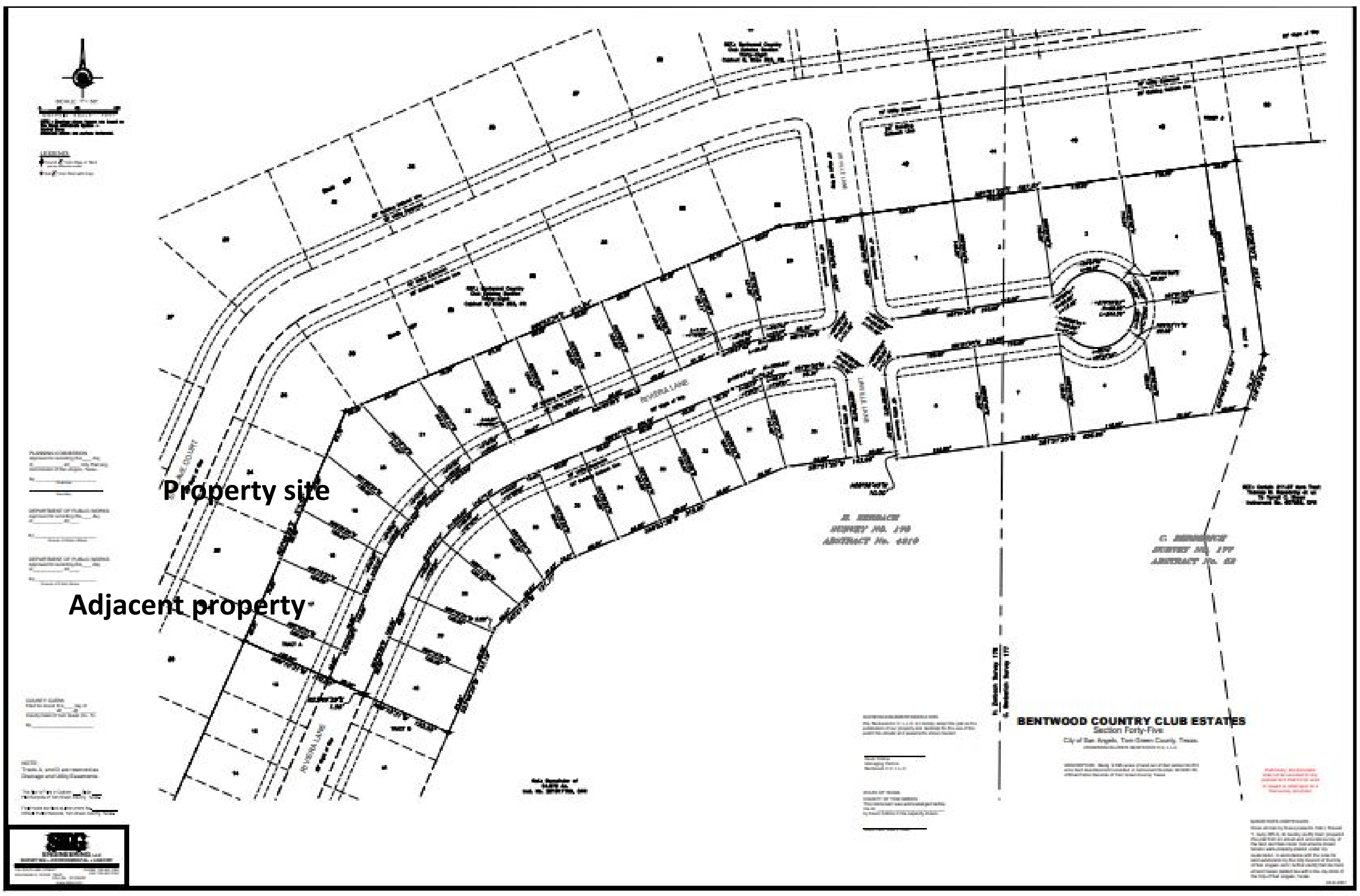
Council District: #1 Tommy Hiebert
Neighborhood: Country Club
Scale: 0 0.01 0.02 0.04 0.06 0.08 Miles

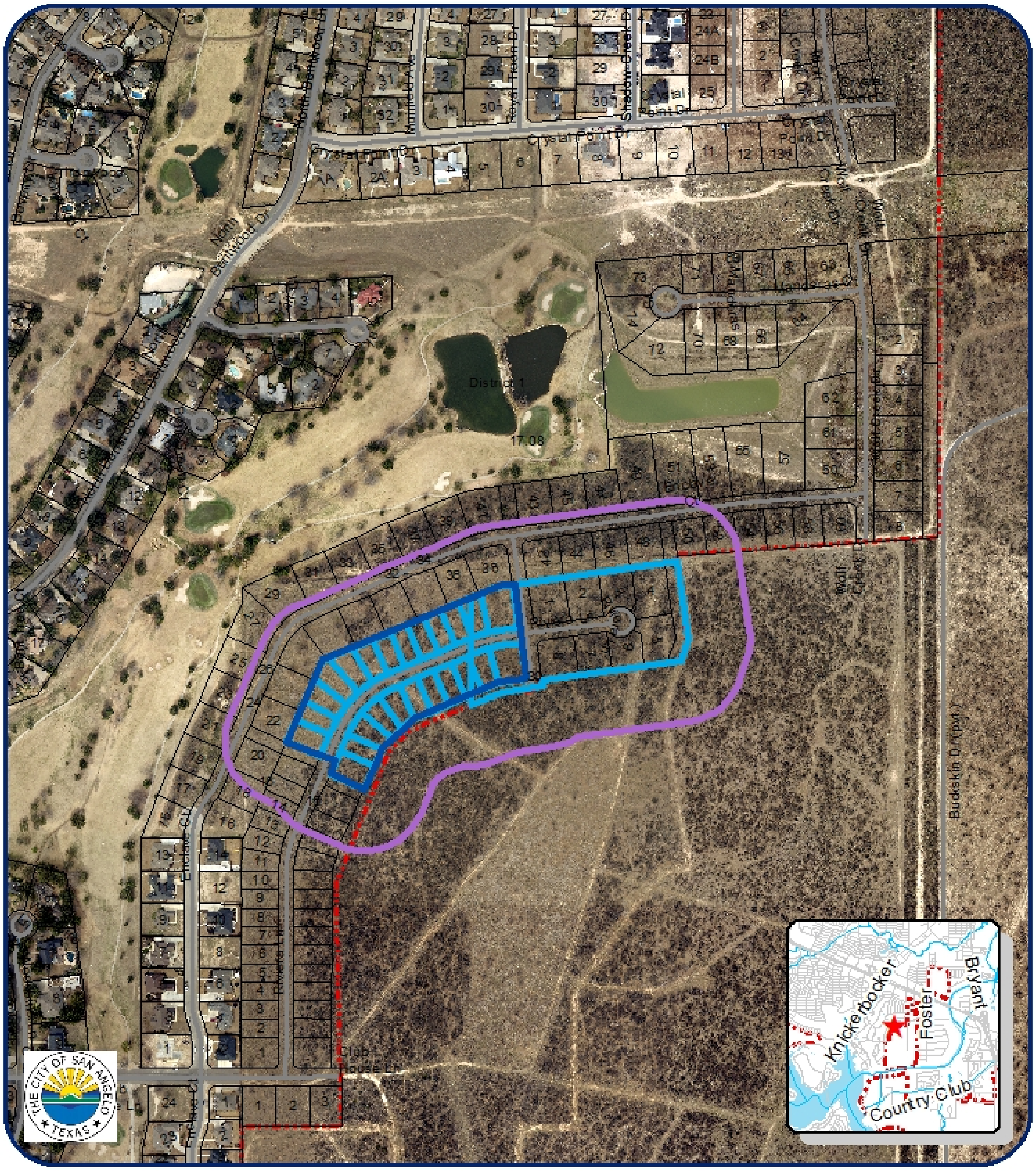
Subject Properties:

Notified Properties:

N

Bentwood CC Estates, Sect 45 (existing plat)





200' Notification Map
Z23-01 Riviera Lane

Council District: #1 Tommy Hiebert
Neighborhood: Country Club
Scale: 0 0.02 0.04 0.08 0.12 0.16 Miles

Subject Properties:
Notified Properties:

N

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: **APPROXIMATELY 9.595 ACRES LOCATED; ALONG RIVIERA COURT, SOUTH OF CLUB HOUSE LANE, LEGAL DESCRIPTION BEING LOTS 17-40, BLOCK 108, SECTION 45, BENTWOOD COUNTRY CLUB ESTATES.** FROM THE SINGLE-FAMILY RESIDENTIAL (RS-1) ZONING DISTRICT TO A PLANNED DEVELOPMENT (PD) ZONING DISTRICT TO ALLOW UNDERLYING BASE ZONING OF RS-1 WITH THE ADDITIONAL USE OF SINGLE-FAMILY HOMES AND SUBJECT TO THE DEVELOPMENT STANDARDS AS OUTLINED IN THE ORDINANCE; PROVIDING FOR SEVERABILITY; AND, PROVIDING FOR AN EFFECTIVE DATE

RE: PD23-04 (Z23-03): LOTS 17-40, BLOCK 108, SECTION 45, BENTWOOD COUNTRY CLUB ESTATES

WHEREAS, on the 20th day of March, 2023, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to approve the proposed Planned Development (PD23-04) Zoning District to allow for an underlying base zoning of (RS-1) with the additional use of single-family homes and subject to the development standards as outlined in the Ordinance, and,

WHEREAS, on the 18th day of April, 2023, City Council held a public hearing on PD23-04, pursuant to published notice, and has considered the application, comments, reports and recommendations of the Planning Commission and staff, public testimony, and other relevant support materials;

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

<u>SECTION 1</u>: The basic zoning ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit "A" of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described properties permanently zoned PLANNED DEVELOPMENT (PD23-04) ZONING DISTRICT:

The real property being Lots 17-40, BLOCK 108, SECTION 45, BENTWOOD COUNTRY CLUB ESTATES, as depicted on Exhibit "A" of this Ordinance.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on **Exhibit "A"** of this Ordinance **("PD Boundary Map")**.

SECTION 3: The use of the hereinabove described property shall be subject to all applicable regulations contained in **Exhibit "B"** of this Ordinance **("Applicable Regulations")**, and Chapter 12 of the Code of Ordinances for the City of San Angelo, as amended.

SECTION 4. The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended herein shall remain in full force and effect.

SECTION 5: 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 6: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **18th day of April, 2023,** and finally PASSED, APPROVED AND ADOPTED on this the **4th day of May, 2023.**

THE CITY OF SAN ANGELO

____
Brenda Gunter, Mayor

ATTEST: APPROVED AS TO FORM:

__________________________ __________________________
Heather Stastny, City Clerk Theresa James, City Attorney

Exhibit "A" (PD Boundary Map)

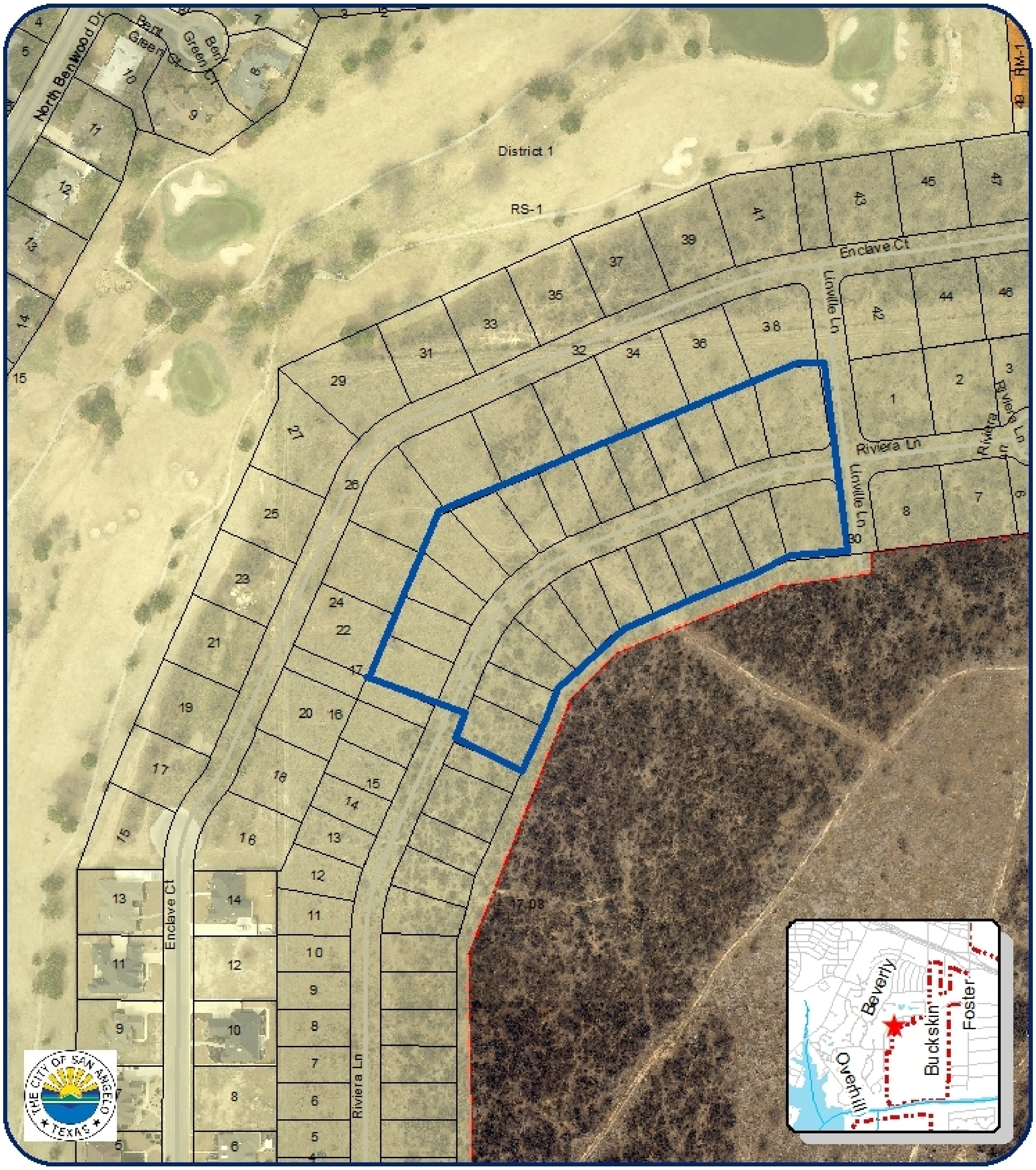


Exhibit "B"

Applicable Regulations

1. Except as otherwise specified, the development of the subject property shall generally conform to the Single-Family Residential (RS-1) Zoning District standards.

2. In addition to the other permitted structure types in the (RS-1) Zoning District, single-family dwelling units shall also be the allowed use.

3. The following development standards shall apply:

Development Standard	**Proposed PD**
Minimum Lot Area (sq. ft.)	
Single-Family Unit	5,000
Minimum Lot Dimensions (width x depth in feet)	
Single-Family Unit	50x100
Zero Lot Line	50x100
Minimum Front Yard (feet)	20
Single-Family Unit, front-facing garage setback	25
Minimum Side Yard (feet)	
Single family homes	5
One side yard (minimum)	0-1
The other side yard (minimum)	10
Minimum Rear Yard (feet)	10
Maximum Floor Area Ratio	.60
Maximum Height	
In feet	35
In stories	2-½
Maximum Density (units/ acre)	-

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Tina Dierschke, Finance Director, Finance

Meeting Date: May 4, 2023

Item type: Regular Item

Caption:

Consider accepting the City's fiscal year 2022 Annual Comprehensive Financial Report and Single Audit (Presentation made by Armstrong, Backus & Company, LLC Partner Gayla Thornton)

Staff Recommendation:

Accept

Summary/History:

The Annual Report is an audited report on the year-end financial statements that provide financial information on the City of San Angelo as well as an opinion by the external auditor on the financial statements as a whole. The Single Audit report is a required audit of an entity that receives greater than $750,000 in Federal funding awards in a fiscal year. The Annual Report and Single Audit presented are for the fiscal year ending September 30, 2022.

The Audit Committee convened to review the reports with the external auditor on April 27, 2023, prior to submission to the City Council, and they recommend approval by the City Council of the annual financial reports as presented.

Financial statements and single audits are required and completed on an annual basis and cover the City's fiscal year beginning October 1 and ending September 30.

Funding Source(s):

Financial Impact:

N/A

Other Information/Recommendation:

N/A

Attachments:

Presentation:

Gayla Thornton

Approvals/Reviews:

Tina Dierschke	Created/Initiated
Tina Dierschke	Approved
Theresa James	Approved
Heather Stastny	Final Approval

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Tina Dierschke, Finance Director, Finance

Meeting Date: May 4, 2023

Item type: Regular Item

Caption:

Discuss and consider adoption of an Ordinance Authorizing the Issuance and Sale of City of San Angelo, Texas Waterworks and Sewer System Improvement Revenue Bonds, Series 2023; 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 made by Finance Director Tina Dierschke)

Staff Recommendation:

Adopt

Summary/History:

On April 6, 2023, the Texas Water Development Board (TWDB) approved by resolution financial assistance in the amount of $13,415,000 to the City of San Angelo from the Drinking Water State Revolving Fund (DWSRF) for water system improvements for the expansion of the well-fields at the Hickory Aquifer. The final amount of the bond issue is $13,415,000. The net interest cost will be 2.37% over a period of 22 years. The City could save approximately $3,100,000 over the life of the loan by using the DWSRF. (These amounts and the ordinance will be updated when the City receives the final numbers on Friday.)

The City previously sought and was approved for a $66 million loan from the TWDB to further the expansion of the Hickory well field; however, after preliminary engineering and the ability to remove solids handling, the City ultimately closed on a reduced portion of the approval of $56,075,000. As the design progressed, the addition of a low-pressure pump station, complexity in the clearwell construction, and additional pump rework in the existing well field elevated the bids closer to the larger initial loan approval amount. The requested approval for the construction contracts, which was approved on the March 15, 2022, City Council agenda, was approximately $13 million short of the amount allocated in the previously closed loan amount. At that same meeting, the City also approved a reimbursement resolution stating that the City was seeking funding from the TBWD for an amount not to exceed $14 million. The reimbursement resolution allowed the City to begin work on the project using existing funds and reimburse those costs with the debt proceeds.

The TWDB is the state agency charged with collecting and disseminating water-related data, assisting with regional planning, and preparing the state water plan for the development of the state's water resources. The TWDB administers cost-effective financial assistance programs for the construction of water supply, wastewater treatment, flood control, and agricultural water conservation projects.

Funding Source(s):

Financial Impact:

The amount of the bond issue is $13,415,000. The rate will be set at 2.37% over a period of 22 years.

Other Information/Recommendation:

Attachments:

1.	Timeline San Angelo-Hickory TWDB DWSRF 2023	Timeline San Angelo-Hickory TWDB DWSRF 2023.pdf
2.	Ordinance v2	Ordinance v2.pdf

Presentation:

Tina Dierschke

Approvals/Reviews:

Tina Dierschke	Created/Initiated
Allison Strube	Approved
Andy Vecellio	Approved
Tina Dierschke	Approved
Theresa James	Approved
Heather Stastny	Final Approval

$13,415,000*

CITY OF SAN ANGELO – HICKORY PROJECT

TEXAS WATER DEVELOPMENT BOARD – DRINKING WATER STATE REVOLVING FUND

REVENUE BONDS, SERIES 2023

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Preliminary Financing Schedule

As of March 31, 2023

Date	Task
Thursday, April 6, 2023	Texas Water Development Board ("TWDB") approval is received.
Friday, April 7, 2023	Bond Counsel to distribute draft financing documents to the Texas Water Development Board and the remainder of the working group.
Tuesday, April 25, 2023	**Set Interest Rates on the Bonds** – Interest rates on the Bonds are set by the TWDB. Specialized Public Finance Inc. ("SPFI") to distribute final debt service schedules to the working group.
Tuesday, May 2, 2023	**Council Meeting: Award** – The City Council will consider an Ordinance authorizing the issuance of the Bonds to the TWDB. (8:30 am)
Week of: **Monday, May 8, 2023**	SPFI submits the Private Placement Memorandum to the TWDB.
Tuesday, June 6, 2023	**Closing Date** – Proceeds from the Bonds will be delivered.

*Preliminary subject to change.

Denotes City Council Meeting Date

Denotes Closing Date

ORDINANCE NO. 2023-_____

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SAN ANGELO, TEXAS WATERWORKS AND SEWER SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2023; 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, Chapter 1502, as amended, and the Issuer's Home Rule Charter;

WHEREAS, by its adoption of Resolution No. 23-024 entitled "A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF $13,415,000 TO THE CITY OF SAN ANGELO, TEXAS FROM THE DRINKING WATER STATE REVOLVING FUND THROUGH THE PROPOSED PURCHASE OF $13,415,000 CITY OF SAN ANGELO, TEXAS WATERWORKS AND SEWER SYSTEM IMPROVEMENT REVENUE BONDS, PROPOSED SERIES 2023", dated April 6, 2023 (the "TWDB Resolution"), the Texas Water Development Board ("TWDB") has agreed to purchase the Issuer's Waterworks and Sewer System Improvement Revenue Bonds, Series 2023 (the "Bonds"); and

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.

"2023 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 and other First Lien Obligations.

"*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 Improvement Revenue Bonds, Series 2023 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 Series 2019 Bonds, 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 grant monies, customer deposits, and other similar funds that cannot lawfully be used to pay debt service), 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 the Series 2019 Ordinance and reconfirmed in 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 May 2, 2023.

"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 Issuer to serve as paying agent and registrar for the Bonds, being BOKF, NA in Dallas, Texas, 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 an amount equal to the Average Annual Debt Service Requirements on the Bonds outstanding as of the Required Reserve Amount Computation Date.

"*Required Reserve Amount Computation Date*" means the Delivery Date of the Bonds, and each date Bonds are redeemed pursuant to Section 5 hereof or the earlier date such Bonds are defeased pursuant to Section 20 hereof.

"*Required Reserve Fund Deposits*" means the deposits and credits, if any, required to be made to the 2023 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 2023 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.

"*Series 2019 Bonds*" means the "City of San Angelo, Texas Waterworks and Sewer System Improvement Revenue Bonds, Series 2019," dated as of October 15, 2019.

"*Series 2019 Ordinance*" means the ordinance adopted by the City Council on October 15, 2019, authorizing the issuance and sale of the Series 2019 Bonds.

"*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, DATE, 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 aggregate principal amount of $13,415,000 (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: improvements to the Issuer's wellfield in the Hickory Aquifer, raw water collection lines, transmission lines, and water treatment plant, and (ii) 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 IMPROVEMENT REVENUE BOND, SERIES 2023", and initially there shall be issued, sold and delivered hereunder one fully registered Bond, without interest coupons, dated May 1, 2023, in the entire principal amount of the Bonds, numbered T-1, and in the denomination hereinafter stated (the "Initial Bond"), with Bonds issued in replacement thereof being in the denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). 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.

Section 3. MATURITY DATES, PRINCIPAL AMOUNTS, AND INTERST RATES. Interest on the Bonds shall accrue from the Delivery Date printed on the Bonds and shall be payable February 15 and August 15 of each year, commencing August 15, 2024. The Bonds shall mature and be payable on the Maturity Dates and in the Principal Amounts, respectively, and shall bear interest in the manner provided, on the dates stated, and from the dates set forth, in the FORM OF BOND set forth in Section 5 of this Ordinance to their respective Maturity Dates or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Maturity Date (Feb. 15)	Principal Amount	Interest Rate	Maturity Date (Feb. 15)	Principal Amount	Interest Rate
2024	$300,000	1.94%	2036	$610,000	2.15%
2025	360,000	1.72	2037	625,000	2.29
2026	365,000	1.66	2038	640,000	2.40
2027	370,000	1.59	2039	655,000	2.45
2028	420,000	1.59	2040	670,000	2.52
2029	540,000	1.57	2041	690,000	2.55
2030	550,000	1.56	2042	705,000	2.60
2031	560,000	1.59	2043	725,000	2.65
2032	570,000	1.61	2044	745,000	2.68
2033	575,000	1.62	2045	765,000	2.71

2034	585,000	1.78	2046	790,000	2.74
2035	600,000	1.97			

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 Texas Water Development Board, 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

PRINCIPAL AMOUNT
$_________

CITY OF SAN ANGELO, TEXAS
WATERWORKS AND SEWER SYSTEM IMPROVEMENT REVENUE BOND
SERIES 2023

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 August 15, 2024 and semiannually on each February 15 and August 15 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 BOKF, NA in Dallas, Texas, 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 the foregoing, in the event that the Texas Water Development Board (the "TWDB") is the Registered Owner of all of the Bonds, all payments of principal and interest on the Bonds shall be made by wire transfer of funds to the TWDB at no cost to the TWDB.

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 May 1, 2023, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $13,415,000 for the public purposes of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's System, to wit: improvements to the Issuer's wellfield in the Hickory Aquifer, raw water collection lines, transmission lines, and water treatment plant, and (ii) to pay the costs incurred in connection with the issuance of the Bonds (the "Project").

ON AUGUST 15, 2033, 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)	(signature)
City Clerk	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:________________________.

BOKF, NA
Dallas, Texas
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 February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date (Feb. 15)	Principal Amount	Interest Rate

(Information from Section 3 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 the Delivery Date set forth above at the respective Interest Rate per annum specified above. Interest is payable on August 15, 2024, and semiannually on each February 15 and August 15 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 Series 2019 Bonds, the Bonds and any Additional First Lien Obligations, the following limited special funds have been previously ordered to be established and maintained by the Issuer and are reconfirmed hereby and shall be maintained so long as First Lien Obligations are outstanding:

(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 2023 Reserve Fund, hereinafter called the "2023 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 2023 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 Series 2019 Ordinance and 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 2023 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. 2023 RESERVE FUND.

(a) There is hereby created and ordered held at a Depository of the Issuer, for the benefit of the Bonds, the 2023 Reserve Fund. The Required Reserve Amount as of the Delivery Date of the Bonds is [$__________]. The Issuer shall deposit into the 2023 Reserve Fund on or before the last day of each month, beginning on or before the last day of the month next following the month in which the Bonds are delivered, from available Gross Revenues a substantially equal amount per month which will within 60 calendar months of the date of such first deposit accumulate the Required Reserve Amount. The Required Reserve Amount shall be maintained in the 2023 Reserve Fund at all times after the delivery of the Bonds, and the Required Reserve Amount shall be computed on each Required Reserve Amount Computation Date. There shall be deposited into the 2023 Reserve Fund any Reserve Fund Obligations so designated by the Issuer. All funds, investments and Reserve Fund Obligations on deposit and credited to the 2023 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 2023 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 2023 Reserve Fund; but, if and when the 2023 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 2023 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 2023 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 2023 Reserve Fund shall be retained in the 2023 Reserve Fund until the 2023 Reserve Fund contains the Required Reserve Amount. During such time as the 2023 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 2023 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 2023 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 2023 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 2023 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 2023 Reserve Fund for any such purposes, and shall make such withdrawal FIRST from available moneys or Permitted Investments then on deposit in the 2023 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 2023 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 2023 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 2023 Reserve Fund or any other reserve fund created in accordance with Section 11(g) hereof, if the 2023 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 2023 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 2023 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. (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 90 days or less until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

(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 Treasure (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

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) 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.

(10) to assure that the proceeds of the Bonds will be used solely for new money projects.

(11) to assure that the Issuer will not acquire any of the Texas Water Development Board's source series bonds in an amount related to the amount of Bonds acquired by the Texas Water Development Board.

(12) 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;

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), 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 2023 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 are hereby sold and shall be delivered to or pursuant to the directions of the TWDB at a purchase price equal to 100% of the principal amount thereof. The Bonds have been purchased by the TWDB pursuant to the TWDB Resolution, and in accordance with such resolution the Issuer shall pay an origination charge to the TWDB in the amount specified therein.

(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, within twelve months after the end of each Fiscal Year ending in or after 2023, financial information and operating data with respect to the Issuer of the general type included in the Issuer's application to the Texas Water Development Board, provided that such information and data is customarily prepared by the Issuer and publicly available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements filed with the TWDB as part of the Issuer's application for financial assistance, 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 statements 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) Notice of Certain Events.

(i) The Issuer shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, 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;
(7) Modifications to rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of 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, if material;
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (i) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer., and (ii) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this subsection by the time required. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(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 (b) 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. COMPLIANCE WITH THE TWDB'S RULES AND REGULATIONS. The provisions of this Section shall apply in addition to any other Section hereof which provides rights to the TWDB so long as the Bonds, or any of them, are owned by the TWDB. The Issuer hereby agrees to comply with all conditions set forth in the TWDB Resolution, which conditions are incorporated herein.

(a) Annual Audit Reporting. The Issuer shall provide the Texas Water Development Board with an annual report prepared in accordance with generally accepted auditing standards by a certified public accountant or licensed public accountant, to be submitted without charge within 120 days of the close of each fiscal year.

(b) Covenant to Abide with Rules. The Issuer will abide with all applicable laws of the State of Texas and Rules of the Texas Water Development Board relating to the loan of funds evidenced by the Bonds and the Project for which the Bonds are issued, sold and delivered.

(c) Water Conservation Program. The Issuer agrees and covenants that it will implement an approved water conservation program in accordance with 31 TAC § 371.71.

(d) Records and Accounts. The Issuer agrees and covenants that it will maintain current, accurate and complete records and accounts regarding the System in accordance with 31 TAC § 371.71.

(e) Environmental Determinations. The Issuer agrees and covenants that it will comply with any special conditions of the environmental determination of the Executive Administrator in accordance with 31 TAC § 371.71.

(f) Prohibition on Use of Proceeds. The Issuer covenants and agrees that none of the proceeds of the Bonds will be expended on costs incurred or to be incurred relating to the sampling, testing, removing or disposing of potentially contaminated soils and/or media at the project site.

(g) Indemnification. The Issuer further agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Texas Water Development Board from any and all claims or causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, removal and off site disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Issuer, its contractors, consultants, agents, officials and employees as a result of activities relating to the Project.

(h) Conveyance of Obligations. Prior to any action by the Issuer to convey its obligations under the Bonds to another entity, if permitted by law, the conveyance and the assumption of such obligations must be approved by the Texas Water Development Board. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such a sale-transfer-merger with another retail public utility.

(i) Davis-Bacon Act Compliance. All laborers and mechanics employed by contractors and subcontractors for the Project who are paid from proceeds of the Bonds on deposit in the Construction Fund shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality of the Issuer in accordance with the federal Davis-Bacon Act and the U.S. Department of Labor's implementing regulations pertaining thereto.

(j) Federal Funding Accountability and Transparency Act. The Issuer shall provide the Texas Water Development Board with all information required by the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282.

(k) DUNS Number and CAGE Code. The Issuer shall obtain a Data Information Numbering System (DUNS) Number and shall register with the System for Award Management to obtain a Commercial and

Government Entity (CAGE) Code, and maintain current registration at all times during which the Bonds are outstanding.

(l) Timely Expenditures. All proceeds of the Bonds will be timely and expeditiously used, as required by applicable federal statutes and U.S. Environmental Protection Agency regulations, and the Issuer shall adhere to a project construction schedule acceptable to the Executive Administrator that facilitates timely use of funds and project completion.

(m) As-Built Plans. The Issuer shall provide to the Texas Water Development Board a full and complete set of "as-built" plans relating to the Project, promptly upon completion of the Project.

(n) Final Accounting. The Issuer shall render a final accounting of the cost of the Project to the Texas Water Development Board within 60 days of the completion of the Project. If the total cost of the Project, as finally completed, is less than originally estimated, so that the proper share of the participation by the Texas Water Development Board in the Project is reduced, such surplus proceeds shall be used in accordance with subsection (o) below.

(o) Surplus Proceeds. Notwithstanding any other provision of this Order or the Bonds restricting early redemption of the Bonds, the Issuer shall use any surplus proceeds from the Bonds that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Texas Water Development Board's ("TWDB") Executive Administrator (the "Executive Administrator"), including without limitation to redeem, on any date, the Bonds owned by the TWDB, at a price of par plus accrued interest to the date fixed for redemption.

(p) Insurance. Insurance coverage be obtained and maintained by the Issuer in an amount sufficient to protect the interest of the Texas Water Development Board in the Project.

(q) Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds or this Resolution that restricts or limits the TWDB's full exercise of such remedies shall be of no force and effect.

(r) American Iron and Steel Requirements. The Issuer will abide by all applicable construction contract requirements related to the use of iron and steel products in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

(s) Covenant Regarding Taxes and System Rates. The Issuer hereby agrees that, for so long as the Bonds are outstanding, to maintain and collect sufficient rates and charges to produce System revenues in an amount necessary to meet the debt service requirements of all First Lien Obligations and to maintain the funds established and required by this Ordinance and the Bonds.

(t) Outlay Reports. The Issuer shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

(u) Waiver of Build America, Buy America Requirements. Pursuant to Condition No. 40 in the TWDB Resolution, the TWDB has waived the requirement that the Issuer abide by the Build America, Buy America Act, Public Law 117-58.

Section 30. 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 31. 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 33. 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 34. 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 4th DAY OF MAY, 2023

Brenda Gunter, Mayor
City of San Angelo, Texas

Attest

Heather Stastny, City Clerk
City of San Angelo, Texas

Approved As to Form:

Rodolfo Segura Jr
McCall, Parkhurst & Horton L.L.P.

Approved As to Content:

Tina Dierschke, Finance Director
City of San Angelo, Texas

[CITY SEAL]

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Sherry Bailey, Sr. Planner, Planning and Development Services

Meeting Date: May 4, 2023

Item type: Regular Item

Caption:

An appeal of the Planning Commission's action on March 20, 2023, to deny an application for a Conditional Use for a Short Term Rental at 3221 Red Bluff Road West (Presentation made by Planning & Development Services Director Jon James)

Staff Recommendation:

Direction from Council

Summary/History:

This is an appeal of a denial by the Planning Commission for a Conditional Use to allow a Short Term Rental (STR), as defined and regulated by Section 406 of the City's zoning ordinance, on a property located at 3221 West Red Bluff Road. At its meeting on Monday, March 20, 2023, after holding a public hearing, the Planning Commission failed to approve this proposed Conditional Use. The vote was three in favor and three opposed; therefore, the application was not approved.

Funding Source(s):

Financial Impact:

N/A

Other Information/Recommendation:

At its meeting on Monday, March 20, 2023, the Planning Commission voted 3-3 on a motion to approve this Conditional Use for a Short Term Rental. Failing to achieve a majority vote, the application was denied.

Attachments:

1.	Einstein City Properties Appeal Letter	Einstein City Properties Appeal Letter.pdf
2.	March 2023, minutes signed	March 2023, minutes signed.pdf
3.	CU23-04 staff report	CU23-04 staff report.pdf

Presentation:

Jon James

Approvals/Reviews:

Sherry Bailey	Created/Initiated
Zachary Rainbow	Approved
Jon James	Approved
Brandon Dyson	Approved
Jon James	Approved
Theresa James	Approved
Heather Stastny	Final Approval

Dear City Council Members,

Thank you for taking the time to review this appeal. Upon taking the time to watch the city council video footage, Einstein City Properties has had the chance to review the concerns of the neighbors in regards to our proposed AirBNB Property, with those concerns primarily being:

1. Parking availability
2. Potential parties disrupting the neighborhood

Upon hearing these concerns, we did take the opportunity to speak with the homeowners on the street in regards to the nature of these concerns. It became apparent that these issues came from a different property on the block that used to often host large gatherings, with many cars crowding the cul-de-sac, and noise disturbing the rest of the neighbors. Fortunately, that property in question was purchased last year by one of the members of Einstein City Properties, who is moving into the home as his primary residence.

Einstein City Properties is committed to taking certain measures to ensure all of the neighbor's concerns are alleviated. First and foremost, as previously stated, one of the owner's is moving into a house 2 doors down in the same cul-de-sac as his full time primary residence. This will allow for more immediate surveillance and maintenance of the property and its short term occupants, and the owner can ensure that the rental property is held to the same high standard as expected from all of the neighbors. Second, Einstein City Properties will be submitting a permit to the city to add 1 additional parking spot on the property. As part of the short term rental agreement, they will also prohibit use of off property parking, violation of which would immediately terminate the short term lease. Finally, both noise monitoring systems and cameras will be installed to ensure that any violations of noise restrictions are caught and addressed immediately and to help deter the possibility of large loud gatherings.

Along with purchasing the property, Einstein Properties is proposing extensive improvements that will transform this into a luxury property. The nightly rate will help to deter potential party-goers as any violation of the aforementioned policies would result in loss of their deposit.

Thank you for taking the time to hear both our proposal and our appeal. All three of the Owners of Einstein City Properties are also small business owners, and we have every intention of upholding this property to the same high standards we carry throughout our other business everyday. As such, we are committed to taking care of our neighbors, hearing and addressing their concerns, and ensuring that this business does not interfere with the community in the neighborhood.

Thank You Again,
Einstein City Properties

RECORD OF MINUTES

CITY OF SAN ANGELO, TX
PLANNING COMMISSION
MONDAY, March 20, 2023, 9:00 A.M.

PRESENT: Travis Stribling (Chair), Luke Uherik (Vice Chair), Joe Self, Kandi Pool, Trinidad Aguirre, Brittany Davis

ABSENT: Sam Gomez

STAFF: Jon James, Director of Planning and Development Services
Aaron Vannoy, Assistant Director of Planning and Development Services
Zack Rainbow, Planning Manager
Sherry Bailey, Senior Planner
Rae Lineberry, Planner
Brandon Dyson, Assistant City Attorney
Kevin Pate, City Engineer
Billy Clemens, Fire Marshall

I. **Call to order.**

A. Commissioner Stribling called the meeting to order at 9:06 a.m. and established that a full quorum of six was present.

B. **Commissioner Stribling asked that the following item be moved to the front of the agenda and asked staff to present the following:**

a. <u>RP23-08: Acevedo Subdivision (SMD#1)</u>
A request for approval of a Final Plat of Acevedo Subdivision, being 21.517 acres of land out of V. Muller Survey No. 176, Abstract No. 1648 described and recorded in Instrument No. 201715723, Official Public Records of Tom Green County, Texas.

Chair Stribling asked if Applicant was okay with a 30-day extension
Jack Downing of SKG Engineering, Agent for Applicant, agreed to the 30-day extension
Chair Stribling opened the floor for Public Hearing
Chair Stribling closed the floor for Public Hearing

Motion by to accept withdraw made by Commissioner Davis. Second by Joe Self. Motion carried unanimously 6-0 (Commissioner Gomez absent)

II. Consent Agenda:

A. Consideration of the February 20, 2023 Planning Commission Meeting minutes

Chair Stribling requested that the minutes be removed. Comments were made by Chair Stribling and Vice Chair Uherik regarding errors within the previous month's minutes that needed to be corrected and submitted for review and approval at the next regularly scheduled meeting.

Staff agreed to review, revise, and resubmit February 20, 2023 meeting minutes.

February 20, 2023 minutes were not approved. Consideration of revised minutes will be presented at the next scheduled meeting. Motion to approve remaining items under Consent Agenda by Com. Aguirre. Second by Com. Uherik. Motion carried unanimously 6-0.

B. Subdivision Plats:

1. **FP23-07 Williams Addition, Sect. 2 (SMD#2)**
   Presented by Rae Lineberry, Planner. This was pulled from the consent agenda due to the conditions of the water and sewer lines to be ran; the lines are already in place. A condition is being made that a fire hydrant be placed within an 18-month period.

   Chair Stribling clarified that the water and sewer taps are present, but a fire hydrant is needed. Ray Lineberry confirmed.

   Chair Stribling opened the floor for public comment
   Russell Gulley, Agent for Applicant, asked that the fire hydrant requirement be deferred until the building stage
   Billy Clemens, Fire Marshall, confirmed the hoselay requirement distance in a residential area for the Commission (w/in 600')
   Chair Stribling closed the floor for public comment

   Discussion was had amongst the Commission in regards to the requirement of a fire hydrant in the absence of a building. Jon James, Director, explained the trigger for this requirement is the platting process.

2. **FP23-04: Menges Subdivision (ETJ)**
3. **FP23-05: Fannin Elementary School Addition, Sect. 1 (SMD#2)**
4. **PP23-03: Shops of Sherwood Revised Preliminary (SMD#6)**
5. **FP23-10 Shops of Sherwood, Sect. 4(SMD#6)**
6. **FP23-06 Pecan Place, Sect. Two (SMD#3)**

Motion to accept all Consent Subdivision Plat application as presented, with the 18 months deferral of the fire hydrant installation for **FP23-07 Williams Addition, Sect. 2 (SMD#2)** made by Commissioner Self. Commissioner Davis second. Motion carried unanimously 6-0 (Commissioner Gomez absent)

III. Regular Agenda

1. **Subdivision Plats**

   a. **FP23-03: Southland Hills Add., Sect. 24B (SMD#1)**

   Presented by Rae Lineberry, Planner. Staff is recommending approval with the conditions of water, sewer, and a drainage study.

   Chair Stribling opened the floor for public comment.
   Russell Gulley, Agent for Applicant, shared that he would be willing to answer questions. Gulley clarified that their team will resubmit to their engineering consultants to adjust the water and sewer services.
   Chair Stribling closed the floor for public comment.

   Motion by Commissioner Self to accept as presented. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

   b. **FP23-11: Pecan Grove (SMD#2)**

   Presented by Sherry Bailey, Senior Planner. Staff is recommending approval with variants requested among Lake Drive.

   Chair Stribling opened the floor for public comment.
   Erica Wilde, Agent for Applicant, shared she would be willing to answer questions.
   Chair Stribling closed the floor for public comment.

   Motion by Commissioner Aguirre to accept the findings in the staff report and approve. Second by Commissioner Uherik. Motion carried unanimously 6-0 (Commissioner Gomez absent)

   c. **RP23-05: Hyde Park Addition, First Replat in Block 51 (SMD#5)**

   Presented by Zack Rainbow, Planning Manager. Staff is recommending approval with the condition of a tax certificate *and* any remaining adjacent properties including remainder lots needing a Building Permit will be required to replat. Any portion left remaining, must not be sold individually, so as to prevent any property from not having direct and abutting access to a public street..

   Mr. Rainbow indicated the properties located along the alley would be areas of concern , because they could restrict access to a public street from accessory structures. Jon James stated Condition 2 should be changed to a "note" instead of a condition.

Chair Stribling opened the floor for public comment.
Karen Best, Property Owner in the affected area, expressed concerns of the previous re-zoning case in the area for multi-family residences and language included in notice sent to the affected property owners referencing a "maximum of 2 residential units per lot." Mrs. Best asked if this Replat would affect the underlying zoning.
Jon James responded that the language in the notice was taken from the State Law and that there would be no change in zoning.
Mrs. Best asked if it was still the intent of the Planning Department to rezone this area or others in the Santa Rita Neighborhood to RS-2.
Mr. James responded that there had been discussion surrounding allowing accessory/garage apartments in the area without allowing zoning to the extent of RS-2 (no duplexes) about a year ago, but nothing was currently on the table.
Jack Downey, Agent for Applicant, provided clarification and shared he would be willing to answer questions.
Chair Stribling closed the floor for public comment.

Chair Stribling stated that Condition Two needs to be moved to the notes. Commissioner Self agreed and motioned. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

d. <u>RP23-06: Second Replat of Poulter's Highland Acres Addition, Tracts 36 & 37 (SMD#2)</u>

Presented by Zack Rainbow, Planning Manager. Staff is in support of the Variance Request.

Chair Stribling opened the floor for public comment. Russell Gulley, Agent for Applicant, shared that he would be willing to answer questions and provided additional details on the plans for the sidewalks.
Chair Stribling closed the floor for public comment.

Motion by Commissioner Davis to approve and to make a note if existing pavement is wide enough, it will suffice for sidewalks. Second by CommissionerUherik. Motion carried unanimously 6-0 (Commissioner Gomez absent)

e. <u>PP23-02: Jefferson Heights, Section Eleven-A (SMD#2)</u>

Presented by Sherry Bailey, Senior Planner. Staff is recommending approval with the conditions of a tax certificate and a fire hydrant at the time of a site plan review.

Chair Stribling opened the floor for public comment.
Russell Gulley, Agent for Applicant, asked that the fire hydrant requirement be deferred until the building stage.
Discussion was had about fire hydrant requirements and related triggers.
Aaron Vannoy, Assistant Director, spoke and clarified requirements and related triggers.
Chair Stribling closed the floor for public comment.

Motion by Commissioner Self to approve as presented and move the fire hydrant requirement to a note. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

2. **Rezonings and Comprehensive Plan Amendments**
   a. **PD23-02: 2025 E. Houston Harte Expressway (SMD#4)**
   Presented by Rae Lineberry, Planner. Staff is recommending approval.

   Chair Stribling opened the floor for public comment.
   Erica Wilde, Agent for Applicant, stated she would be willing to answer any questions. Discussion was had on the different business entities in the area.

   Motion by Commissioner Self to approve as a General Commercial Zoning with the allowance of a welding shop under a Planned Development. Second by Commissioner Davis.
   2 voted in favor. 4 opposed. Motion did not carry.

   Motion by Commissioner Aguirre to approve as a General Commercial Zoning without the welding shop allowance. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

   b. **PD02-03 Amendment – NE Intersection of Stratford and Melrose Ave (SMD#6)**
   Presented by Sherry Bailey, Senior Planner. Staff recommends approval.
   Discussion was had about the drainage study location of storage facility.

   Chair Stribling opened the floor for public comment.
   Erica Wilde, Agent for Applicant, clarified how the storage buildings are made to reduce concerns about the aesthetics in the area, request it to be approved as presented and is available to clarify for questions.
   Chair Stribling closed the floor for public comment.

   Motion to approve with the condition that the storage units, if constructed, be placed on the back or northern tract by Commissioner Self.

Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

c. **PP23-01- Lot 2, Hardin Addition (SMD#6)**
Presented by Sherry Bailey, Senior Planner. Staff recommends approval. Discussion was had on the conditions.

Motion to approve made by Commissioner Self. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

a. **FP23-02: Lot 2, Hardin Addition (SMD#6)**
Presented by Sherry Bailey, Senior Planner. Staff recommends approval. Discussion was had on the conditions.

Chair Stribling opened the floor for public comment.
Erica Wilde, Agent for Applicant, asked for clarification on sidewalk requirements and potential deferment to building permit or site plan phase.
Chair Stribling closed the floor for public comment.

Motion to approve made by Commissioner Aguirre. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

d. **PD23-06: Bentwood, Sect. 45- Riviera Lane (SMD#1)**
Presented by Zack Rainbow, Planning Manager. Staff recommends approval.

Chair Stribling opened the floor for public comment.
Jack Paugh, land owner building a home in the area, asked for clarification on the updates from the last application and how this is different. Discussion was on adjusting the rear setback to 15 feet instead of 20.
Julia Antley, Resident, expressed her support of approval.
Russell Gulley, Agent for Applicant, provided clarification.
Continued discussion was had on the setback requirements.
Chair Stribling closed the floor for public comment.

Motion by Commissioner Aguirre with the condition that staff add exhibit in presentation to City Council. Second By Commissioner Self. Motion carried unanimously 6-0 (Commissioner Gomez absent)

3. Conditional Uses

a. CU23-04: 3221 Red Bluff Rd. W (SMD #1)

Presented by Rae Lineberry, Planner. Staff is recommending approval with the conditions that they maintain the parking lot, get a certificate of occupancy, and obtain and comply with a fire inspection.

Chair Stribling opened the floor for public comment.
Donna Ferguson, Resident, expressed concerns about the neighborhood being able to handle the traffic.
Mark Priest, Resident, expressed concerns about the noise in the neighborhood. Discussion was had that there haven't been any Code Compliance complaints.
Continued discussion was had about the precedent being set and making sure there is a level playing field for everyone regarding the applications and conditional uses.
Aaron Vannoy explained revoking of conditional uses.

Motion made by Commissioner Davis to approve as presented. Second by Commissioner Aguirre. 3 in favor; 3 opposed. Motion did not carry.

Public Comment

Chair Stribling opened the floor for public comment.
Russell Gulley, resident, made a statement about permits for short-term rentals.
Chair Stribling closed the floor for public comment.

IV. Planning Director's Report

Jon James, Director, stated he did not have anything to add.

V. Future meeting agenda and announcements.

Next regular meeting of the Planning Commission is Monday, April 17, 2023, at 9 AM, in the East Mezzanine

City Hall, East Mezzanine
72 West College Avenue
San Angelo, Texas

VI. Adjournment

Motion to adjourn by Commissioner Uherik. Second by Commissioner Davis. Motion carried unanimously 6-0 (Commissioner Gomez absent)

This Notice of Meeting was posted on the bulletin board at the City Hall for the City of San Angelo before 9:00 a.m. of Friday, March 17, 2023, in accordance with Chapter 551 in the Government Code for the State of Texas.

Adjournment-

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending Planning Commission meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Planning Division at 325-657-4210.

Travis Stribling - Chairman

CITY COUNCIL – MAY 2, 2023
STAFF REPORT

APPLICATION TYPE:	**CASE:**
Conditional Use -STR	CU23-04: 3221 Red Bluff Rd W

SYNOPSIS:

A request for approval of a Conditional Use (CU) to allow a Short Term Rental (STR), as defined in Sec. 406 of the Zoning Ordinance in Single-Family Residential (RS-1) zoning, located at 3221 Red Bluff Rd W.

At the March 20, 2023 meeting the Planning Commission voted 3 to approve the application and 3 against it The By-Laws state a tie vote is a denial of the request. The applicants are appealing to the City Council as stated in the ordinance.

LOCATION:	**LEGAL DESCRIPTION:**
3221 Red Bluff Rd W	Lot: 103 SECTION 4, Blk: 5, Subd: LAKE NASWORTHY, RED BLUFF

SM DISTRICT / NEIGHBORHOOD:	**ZONING:**	**FUTURE LAND USE:**	**SIZE:**
SMD District #1 – Tommy Hiebert Nasworthy Neighborhood	RS-1- Single-Family Residential	N- Neighborhood	0.273 acres

THOROUGHFARE PLAN:

Required: minimum 30' Public Street
Existing: 30' width

NOTIFICATIONS:

12 notifications mailed within 200-foot radius on 3/03/23. Received one (1) response in opposition, and zero (0) in favor. [Two persons spoke at the Public Hearing]

STAFF RECOMMENDATION:

Staff's recommendation is for the Planning Commission to **APPROVE** the proposed CU to allow a STR at 3221 Red Bluff Rd W. subject to **three (3) conditions**.

PROPERTY OWNER/PETITIONER:

Property Owners:
Louis Moreno, Michael Arango, Rusty Bartholomeo

STAFF CONTACT:

Rae Lineberry
Planner I
(325) 657-4210, Extension 1533
Rae.lineberry@cosatx.us

<u>Conditional Uses</u>: Section 208(F) of the Zoning Ordinance requires that the Planning Commission consider, at minimum, six (6) factors in determining the appropriateness of any Conditional Use request.

1. **Impacts Minimized.** ***<u>Whether and the extent to which the proposed conditional use creates adverse effects, including adverse visual impacts, on adjacent properties.</u>*** No, the Applicant(s) plan to make no changes to the existing structures on the lot.

2. **Consistent with Zoning Ordinance.** ***<u>Whether and the extent to which the proposed conditional use would conflict with any portion of this Zoning Ordinance.</u>*** No, there are no STR's active within 500' of this proposed location.

3. **Compatible with Surrounding Area.** ***<u>Whether and the extent to which the proposed conditional use is compatible with existing and anticipated uses surrounding the subject land.</u>*** The rental would be in a RS-1 Single-Family Zoning area, and higher density residential is more compatible with short term rentals.

4. **Effect on Natural Environment.** ***<u>Whether and the extent to which the proposed conditional use 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.</u>*** Staff does not believe that the STR will have any adverse effects on the environment. The area infrastructure is already built to accommodate Single-Family Residential Zoning.

5. **Community Need.** ***<u>Whether and the extent to which the proposed conditional use addresses a demonstrated community need.</u>*** The STR will address a need for more rentals in the Nasworthy area.

6. **Development Patterns.** ***<u>Whether and the extent to which the proposed conditional use would result in a logical and orderly pattern of urban development in the community.</u>*** The applicant(s) do not plan to alter any of the existing structures or add on to them and adequate parking is provided. The use will remain residential.

Recommendation:
Staff's recommendation is for the Planning Commission to **APPROVE** a Conditional Use to allow for a Short Term Rental in the Single-Family Residential (RS-1) Zoning District, **subject to the following Three (3) Conditions of Approval**:

1. The owner(s) shall maintain the required two off-street parking spaces and keep them in a manner consistent with Section 511 of the Zoning Ordinance.

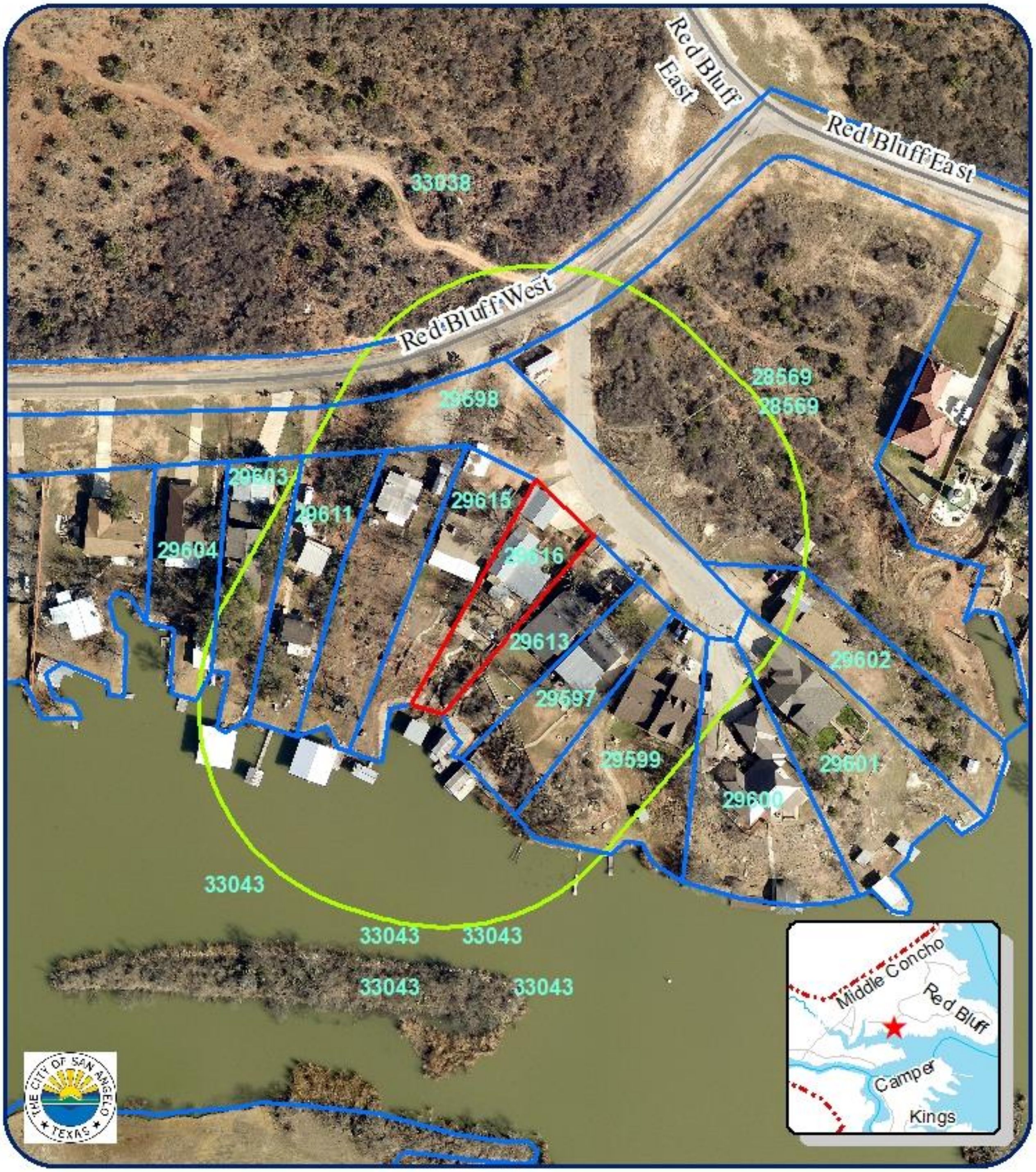
2. The owner(s) shall obtain a Certificate of Occupancy for the Short Term Rental from the Permits and Inspections Division.

3. The owner(s) shall obtain and comply with an annual fire inspection from the Fire Marshal's office.

Note:

1. The property owner(s) shall maintain the Short Term Rental operation in a manner consistent with Section 406 of the Zoning Ordinance. Including a required renewal in one (1) year, with subsequent renewals every two (2) years, and proof that hotel tax payment is not delinquent.

Attachments:
Notification Map
Site Images



200' Notification Map
CU23-04 3221 Red Bluff

Council District: #1 Tommy Hiebert
Neighborhood: Nasworthy
Scale: 0 0.005 0.01 0.02 0.03 0.04 Miles

Subject Properties:

200' Buffer:

Notified Properties:

N

Existing home

Views looking North & South on the street

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Robert Schneeman, Economic Development Coordinator, Economic Development

Meeting Date: May 4, 2023

Item type: Regular Item

Caption:

Consider ratifying COSADC authorization for the Board President to negotiate and execute Amendment 1 to the 2023 COSADC-Chamber of Commerce Professional Services Performance Agreement with ratification by City Council (Presentation made by Interim Economic Development Director Michael Dane)

Staff Recommendation:

Approve

Summary/History:

On November 15, 2022, City Council declined to ratify the professional service agreement. City Council requested the agreement's scope of services be reviewed. Currently, the agreement has fourteen tasks. City Council requested the following:

1.Limit the term of the contract to one year

2. Identify COSADC funds separately from other funding sources (No co-mingling of funds)

3. Revise Scope (task list) and limit to about 5 total tasks in coordination with Chamber staff. Council directed that the revised scope be brought back within 90 days.

At their meeting on November 16, 2022, the COSADC Board approved the revised agreement directing COSADC staff to work with Chamber staff to provide a revised scope per Council recommendation.
At their meeting on December 13, 2022, City Council ratified the revised contract.
At their meeting on February 22, 2023, the COSADC Board approved Amendment 1 with all recommended scope revisions and adding a revised contract term as attached and agreed to by the Chamber of Commerce staff present at the meeting.

Funding Source(s):

Financial Impact:

No fiscal impact this fiscal year.

Other Information/Recommendation:

Attachments:

1. Amend 1 to 2023 Chamber Agrmt — Amend 1 to 2023 Chamber Agrmt.pdf

Presentation:

Michael Dane

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Michael Dane	Approved
Theresa James	Approved
Tina Dierschke	Approved
Heather Stastny	Final Approval

AMENDMENT 1 TO THE 2023 COSADC-CHAMBER OF COMMERCE PROFESSIONAL SERVICES PERFORMANCE AGREEMENT

RECITALS:

WHEREAS, the City of San Angelo Development Corporation ("COSADC") and the San Angelo Chamber of Commerce ("Chamber") entered into a Professional Services Performance Agreement ("Agreement") on December 15, 2022, to be effective January 1, 2023, under which Provider performs various marketing, recruitment and related services for COSADC; and,

WHEREAS, the Parties desire to amend the Agreement by replacing Exhibit "A" – Scope of Services with a new Scope of Services that modifies the required tasks and performance measures related to those tasks; and,

WHEREAS, the Parties further desire to delete Exhibit "B" to the Agreement and incorporate some of its provisions into the new Scope of Services.

WHEREAS, the Parties also desire to extend the term of the Agreement.

NOW, THEREFORE, the Parties agree as follows:

PART 1: That Exhibit "A" - Scope of Services, including Attachments 1 and 2, are deleted in their entirety and replaced with a new Exhibit "A" – Scope of Services attached to this Amendment 1.

PART 2: That Exhibit "B" is deleted in its entirety.

PART 3: References throughout the Agreement to Exhibits "A" and "B" shall instead refer to Exhibit "A" attached to this Amendment 1.

PART 4: Upon expiration of the Initial Term on December 31, 2023, the Term shall be automatically extended for an additional three (3) year period to expire on December 31, 2026. Thereafter, COSADC shall have two (2) options to further extend the Term for a period of one (1) year each.

PART 4: All other terms and conditions of the Agreement shall remain in full force and effect unless amended and changed by further amendment.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT 1 to be executed by their respective duly authorized officials on this ____ day of February, 2023.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

By:____
Max puello, President

ATTEST:

By:____
Nora Nevarez, Corporate Secretary

SAN ANGELO CHAMBER OF COMMERCE, INCORPORATED

By:____
E. Walter Koenig, President

APPROVED AS TO CONTENT:

____
Michael Dane
Interim Economic Development Director

APPROVED AS TO FORM:

____
Brandon Dyson
Deputy City Attorney

EXHIBIT "A"
SCOPE OF SERVICES

Chamber will provide such services as are necessary to conduct marketing, recruitment, and development efforts pursuant to Texas Local Government Code, Chapters 501, 502, and 505, known as the Development Corporation Act (the "Act"), as amended. Chamber provided services shall in all respects further COSADC projects and programs authorized under the Act. Specific services and performance measures related to such services shall include the following:

<u>REQUIRED SERVICES</u>

1. Maintain a cross-branded website between COSADC and Chamber, with links as deemed appropriate by Chamber, to other local, state, and federal business resources, that will direct traffic to other partner websites including but not limited to: San Angelo Development Corporation, Downtown San Angelo, The Business Factory, Concho Valley Workforce Development, the ASU Small Business Development Center, Howard College/West Texas Training Center, and the San Angelo Chamber of Commerce, and any other economic development partner.

2. Provide professional economic development marketing and recruitment services to develop and implement an economic development marketing and recruitment program consistent with COSADC initiatives under the Act.

3. Chamber will evaluate local business eligibility under the COSADC Business Retention and Expansion Program and coordinate with such businesses where tax revenues may be utilized to assist in retention/expansion efforts.

4. Coordinate responses to all prospect leads, ensuring complete information sharing and involvement of all relevant economic development partners. All contacts and actions on leads, existing and potential companies/employers will be maintained, organized, and reported through Chamber's project management system.

5. Maintain current community information and other relevant information required by business prospects, including information necessary for property site selection. This information is to be updated as soon as relevant new market data is available each year and coordinated with COSADC staff to ensure consistency of data provided by COSADC and Chamber.

6. Provide background information for any projects including, but not limited to, the site requirement form, economic impact analysis (which may be written in cooperation with COSADC on a case-by-case basis), prospect summary reports for use by COSADC staff in their preparation of a formal incentive application, financial due diligence reviews and/or presentations to the COSADC Board of Directors and City Council. Upon award of financial incentives as recommended by COSADC and approved by the City Council, COSADC shall become the primary point of contact for said business.

7. Provide COSADC staff a summary of job creation, taxable value, and other economic indices that demonstrate return on investment (ROI) on all business prospects and coordinate with staff to make recommendations to the COSADC Board.

8. Ensure a Chamber representative attends each regular COSADC meeting. Provide reporting and attend such other meetings as requested by the COSADC Board.

PERFORMANCE MEASURES

1. Track website activity and use data to improve web presence; include information on relevant trends in presentations to the Board, as appropriate.

2. Meet with the COSADC Economic Development Director prior to presenting to the Board for consideration and final adoption of the Chamber's program to solicit comments and input on desired outcomes and activities related to COSADC funding. Present, no later than the October meetings of each year, such program for approval at a regular meeting of the COSADC Board. Chamber will include in such presentation, detailed evaluation of prior program years, including completed outcomes and status of any pending objectives.

3. Track response rates, conversion rates, inquiries, leads generated, and leads converted to prospects for each marketing effort, and work with COSADC staff to report to the Board on a quarterly/annual basis; present trend information, as appropriate.

4. Provide written reports at least monthly related to leads received, including source of leads, number of jobs to be created/retained, capital investment, information provided to leads and outcome of leads; and use such information to refine local economic development programs.

5. Present oral and written reports at least quarterly on outcomes, activities, and expenditures relating to COSADC contracted services. Reported expenditures shall include disclosures of any consultants utilized in rendering services under this Agreement.