

PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

TUESDAY, AUGUST 21, 2018

CLARK LIBRARY ANNEX-COUNCIL CHAMBERS
217 SOUTH MAIN STREET, 3rd FLOOR
LOCKHART, TEXAS

6:30 P.M.

WORK SESSION (No Action)

Work session will be held to receive briefings and to initially discuss all items contained on the Agenda posted for 7:30 p.m. Generally, this work session is to simplify issues as it relates to the agenda items. No vote will be taken on any issue discussed or reviewed during the work session.

DISCUSSION ONLY

- A. Discuss Resolution 2018-12 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Visionary Fiber Technologies (Project Oklahoma) in an amount not to exceed \$427,500 based on a \$6.75 million capital investment in the project that will create at minimum 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000 and a Chapter 380 Economic Development Incentive Agreement with Visionary Fiber Technologies (Project Oklahoma) which reflects a project investment of \$6.75 million capital investment in the project with a minimum of 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period. *7-35 and 126-135*
- B. Discuss Resolution 2018-13 amending Resolution 2018-11 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Crop One Holdings, Inc. (Project Soar) in an amount not to exceed \$491,049 based on a \$15 million capital investment in the project that will create at minimum 50 new full-time equivalent (FTE) jobs at an average annual wage of \$35,000. *36-51*
- C. Discuss Resolution 2018-14 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, approving the purchase by the Lockhart Economic Development Corporation (LEDC) of 13.682 acres from Centerpoint Business Park East for \$1.50 per square foot along the east frontage road of SH 130 just north of the railroad and to secure sufficient funds for the purchase of this property and to construct an access easement to satisfy the requirements of the minor plat process on which to attract the expansion of Project Soar (Crop One Holdings) and other industrial users. *52-56*
- D. Discuss minutes of the City Council meeting of August 9, 2018. *57-65*

WORK SESSION continued....

- E. Discuss Ordinance 2018-19 repealing uncodified Ordinance 2018-02 in its entirety and adopting this Ordinance regarding establishing the classifications within the Police Department and authorizing the number of employees in each classification; establishing that the position immediately below the Police Chief will be appointed. *66-72*
- F. Discuss proposal by Texas Regional Protective Services to provide unarmed, uniformed, state licensed security officer services at the City of Lockhart Dr. Eugene Clark Library at a cost of \$17.00 per hour and authorizing the City Manager to finalize the contract with review by the City Attorney and for the Mayor to sign the contract for the services. *73-88*
- G. Discuss Memorandum of Understanding Agreement between the City of Lockhart and Connections which is a non-profit individual and family counseling agency funded by the United Way and Texas Network of Youth Services and appointing the City Manager to sign the agreements, if approved. *89-96*
- H. Discuss update by City Manager regarding the Guadalupe-Blanco River Authority (GBRA) long term water supply, the payment schedule for the initial revenue bond issuance by GBRA, the associated land lease costs, maintenance/operational costs, and how he recommends that they be funded. *157-175*
- I. Discuss a Continuing Disclosure Agreement with the Guadalupe-Blanco River Authority (GBRA) in connection with the issuance of GBRA revenue bonds known as the Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2018A (Deferred Financing) and Series 2018B (Low Interest Financing) for the Carrizo Groundwater Supply Project whereby the City of Lockhart is to provide annual financial statements and other common financial information normally provided under such agreements and authorizing the Mayor to sign the agreement. *176-184*
- J. Discuss after presentation by City Manager regarding proposed Fiscal Year 2018-2019 budgets. *185-193*
- K. Discussion regarding adoption of the 2018 combined maintenance and operation and interest and sinking proposed property tax rate for the City of Lockhart. If proposed tax rate exceeds the rollback rate or the effective tax rate (whichever is lower), a record vote must be taken to place a proposal to adopt the rate on the agenda of a future Council meeting. If motion passes, Council must schedule and announce date, time and place of two (2) public hearings regarding the proposed tax rate. *194-195*

7:30 P.M. REGULAR MEETING

- 1. **CALL TO ORDER**
Mayor Lew White
- 2. **INVOCATION, PLEDGE OF ALLEGIANCE**
Invocation.
Pledge of Allegiance to the United States and Texas flags.

3. **CITIZENS/VISITORS COMMENTS**

(The purpose of this item is to allow citizens an opportunity to address the City Council on issues that are not on the agenda. No discussion can be carried out on the citizen/visitor comment.)

4. **DISCUSSION ITEMS**

- A. Conduct the first reading and discussion regarding Resolution 2018-12 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Visionary Fiber Technologies (Project Oklahoma) in an amount not to exceed \$427,500 based on a \$6.75 million capital investment in the project that will create at minimum 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000. 7-35
- B. Conduct the first reading and discussion regarding Resolution 2018-13 amending Resolution 2018-11 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Crop One Holdings, Inc. (Project Soar) in an amount not to exceed \$491,049 based on a \$15 million capital investment in the project that will create at minimum 50 new full-time equivalent (FTE) jobs at an average annual wage of \$35,000. 36-51
- C. Conduct the first reading and discussion regarding Resolution 2018-14 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, approving the purchase by the Lockhart Economic Development Corporation (LEDC) of 13.682 acres from Centerpoint Business Park East for \$1.50 per square foot along the east frontage road of SH 130 just north of the railroad and to secure sufficient funds for the purchase of this property and to construct an access easement to satisfy the requirements of the minor plat process on which to attract the expansion of Project Soar (Crop One Holdings) and other industrial users. 52-56

5. **CONSENT AGENDA**

- A. Approve minutes of the City Council meeting of August 9, 2018. 57-65
- B. Approve Ordinance 2018-19 repealing uncodified Ordinance 2018-02 in its entirety and adopting this Ordinance regarding establishing the classifications within the Police Department and authorizing the number of employees in each classification; establishing that the position immediately below the Police Chief will be appointed. 66-72
- C. Approve proposal by Texas Regional Protective Services to provide unarmed, uniformed, state licensed security officer services at the City of Lockhart Dr. Eugene Clark Library at a cost of \$17.00 per hour and authorizing the City Manager to finalize the contract with review by the City Attorney and for the Mayor to sign the contract for the services. 73-88
- D. Approve Memorandum of Understanding Agreement between the City of Lockhart and Connections which is a non-profit individual and family counseling agency funded by the United Way and Texas Network of Youth Services and appointing the City Manager to sign the agreements, if approved. 89-96

6. **DISCUSSION/ACTION ITEMS**

- A. Conduct second reading and discussion and/or action regarding Resolution 2018-12 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Visionary Fiber Technologies (Project Oklahoma) in an amount not to exceed \$427,500 based on a \$6.75 million capital investment in the project that will create at minimum 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000. 97-125
- B. Discussion and/or action regarding a Chapter 380 Economic Development Incentive Agreement with Visionary Fiber Technologies (Project Oklahoma) which reflects a project investment of \$6.75 million capital investment in the project with a minimum of 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period. 126-135
- C. Conduct second reading and discussion and/or action regarding Resolution 2018-13 amending Resolution 2018-11 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Crop One Holdings, Inc. (Project Soar) in an amount not to exceed \$491,049 based on a \$15 million capital investment in the project that will create at minimum 50 new full-time equivalent (FTE) jobs at an average annual wage of \$35,000. 136-151
- D. Conduct second reading and discussion and/or action regarding Resolution 2018-14 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, approving the purchase by the Lockhart Economic Development Corporation (LEDC) of 13.682 acres from Centerpoint Business Park East for \$1.50 per square foot along the east frontage road of SH 130 just north of the railroad and to secure sufficient funds for the purchase of this property and to construct an access easement to satisfy the requirements of the minor plat process on which to attract the expansion of Project Soar (Crop One Holdings) and other industrial users. 152-156
- E. Discussion and/or action after update by City Manager regarding the Guadalupe-Blanco River Authority (GBRA) long term water supply, the payment schedule for the initial revenue bond issuance by GBRA, the associated land lease costs, maintenance/operational costs, and how he recommends that they be funded. 157-175
- F. Discussion and/or action to consider approval of a Continuing Disclosure Agreement with the Guadalupe-Blanco River Authority (GBRA) in connection with the issuance of GBRA revenue bonds known as the Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2018A (Deferred Financing) and Series 2018B (Low Interest Financing) for the Carrizo Groundwater Supply Project whereby the City of Lockhart is to provide annual financial statements and other common financial information normally provided under such agreements and authorizing the Mayor to sign the agreement. 176-184
- G. Discussion and/or action after presentation by City Manager regarding proposed Fiscal Year 2018-2019 budgets. 185-193

DISCUSSION/ACTION ITEMS continued....

H. Discussion and/or action regarding adoption of the 2018 combined maintenance and operation and interest and sinking proposed property tax rate for the City of Lockhart. If proposed tax rate exceeds the rollback rate or the effective tax rate (whichever is lower), a record vote must be taken to place a proposal to adopt the rate on the agenda of a future Council meeting. If motion passes, Council must schedule and announce date, time and place of two (2) public hearings regarding the proposed tax rate.

194-195

I. Discussion and/or action regarding appointments to various boards, commissions or committees.

196-203

J. Discussion and/or action regarding the Budget and Tax Rate Adoption Calendar, if necessary.

204-205

7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE DISCUSSION

- Update: The contractor has started the new 18" water main on West Martin Luther King, Jr. Industrial Blvd. that will connect to the large main on State Park Road at Patton.
- Update: Specifications are complete and bids will be taken soon for the rehabilitation of water well # 9 and emergency work on well # 10.
- Update: Staff working on Texas Swing Festival with event representatives to be held September 28 and 29.
- Report: Staff is working with Greater Caldwell County Hispanic Chamber in preparation of Diez y Seis event in September.
- Report: Personnel Changes: Pam Larison will be named Interim Finance Director effective, Monday, September 3, 2018. The Finance Director position will be filled by the new City Manager.

8. COUNCIL AND STAFF COMMENTS – ITEMS OF COMMUNITY INTEREST

*(**Items of Community Interest defined below)*

9. ADJOURNMENT

*** Items of Community Interest includes: 1) expressions of thanks, congratulations or condolence; 2) information regarding holiday schedules; 3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; 4) a reminder about an upcoming event organized or sponsored by the governing body; 5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official employee of the municipality; and 6) announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda. (SB 1182 - effective 09/01/2009)*

* Once approved to be on the agenda, staff requests you register to speak prior to the meeting. Deadline for specific items on the agenda is Noon Tuesday prior to the Regular Meeting.

If, during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with this chapter.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.073. To deliberate a negotiated contract for a prospective gift or donation to the state or the governmental body if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.076. To deliberate the deployment, or specific occasions for implementation, of security personnel or devices.

Section 551.086. To deliberate vote or take final action on any competitive matters relating to public power utilities.

Section 551.087. To deliberate or discussion regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

Section 551.088. To deliberate a test item or information related to a test item if the governmental body believes that the test item may be included in a test the governmental body administers to individuals who seek to obtain or renew a license or certificate that is necessary to engage in an activity.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council.

City Council shall have the right at anytime to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

I certify that the above notice of meeting was posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on the 17th day of August, 2018 at 4:09 pm. I further certify that the following News Media was properly notified of this meeting as stated above: Lockhart Post-Register



Connie Constancio, TRMC
City Secretary



**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: Economic Development		Initials	Date	
Department Head: Robert Tobias		Asst. City Manager		
Dept. Signature: <i>Robert Tobias</i>		<i>[Signature]</i>	8.15.18	
City Manager				
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER				
CAPTION				
Conduct the first reading regarding Resolution 2018-12 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Visionary Fiber Technologies (Project Oklahoma) in an amount not to exceed \$427,500 based on a \$6.75 million capital investment in the project that will create at minimum 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000. (FIRST READING)				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S): LEDC				
SUMMARY OF ITEM				
The Lockhart Economic Development Corporation (LEDC) held the required public hearing on August 6, 2018. The board unanimously approved LEDC Resolution 2018-06 and associated Performance Agreement. The LEDC received input from representatives of Visionary Fiber Technologies, staff, and review of the Business Information Form to assess their economic impact.				
STAFF RECOMMENDATION				
Staff respectfully recommends approval of Resolution 2018-12 as presented.				
List of Supporting Documents: Resolution 2018-12, LEDC Resolution 2018-06, Public Hearing Notice and LEDC Business Information Form		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation		

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RESOLUTION NO. 2018-12

A RESOLUTION OF THE LOCKHART CITY COUNCIL FOR FUNDING UP TO \$427,500 FOR VISIONARY FIBER TECHNOLOGIES (PROJECT OKLAHOMA) UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named VISIONARY FIBER TECHNOLOGIES after proper public notice and a public hearing on August 6, 2018, for an incentive amount not to exceed \$427,500 based on a \$6.75 million investment, with up to 70 new full-time equivalent (FTE) jobs with an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period; and

WHEREAS, the LEDC has determined that VISIONARY FIBER TECHNOLOGIES (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The infrastructure improvements project costs and other associated development costs are HEREBY APPROVED as follows:

The LEDC shall pay up to \$427,500 for infrastructure and other development costs

subject to the conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

PASSED AND ADOPTED at a meeting of the Lockhart City Council held on this _____ day of _____, 2018.

City of Lockhart

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC
City Secretary

Peter Gruning, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and PROJECT OKLAHOMA a limited liability corporation.

RECITALS

WHEREAS, PROJECT OKLAHOMA desires to expand to the City of Lockhart, Texas ("City") and participate in the Economic Development Program established in this Agreement; and

WHEREAS, the LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to PROJECT OKLAHOMA to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City's tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and PROJECT OKLAHOMA desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and PROJECT OKLAHOMA agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by PROJECT OKLAHOMA. When used hereafter, the phrase "duration of this Agreement" shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of PROJECT OKLAHOMA agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) To provide incentives up to \$427,500 for developments and other associated costs, which will create up to 71 FTE jobs with an average annual wage of \$75,000 per year which are subject to the conditions set out herein and in Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979). The amount of financial benefit that PROJECT OKLAHOMA will retain from the LEDC project funds is subject to the number of jobs created, as described in attached Potential Value of Incentives Package.

Section 4. PROJECT OKLAHOMA Requirements

In consideration of LEDC agreeing to perform the foregoing, PROJECT OKLAHOMA agrees:

- (a) To purchase the building at 1400 FM-20 (Blackjack Street) and for other related improvements valued at \$4 million in City of Lockhart;
- (b) To begin operation within 120 days of agreement;
- (c) To employ a minimum of 71 Full Time Equivalent ("FTE") employees at an average annual wage of \$75,000 for the (10) ten-year period of this agreement. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 2,080 hours;
- (d) To keep current in the payment of taxes owed to any taxing jurisdiction in which the Property is located.

Section 5. Recapture/Termination

- (a) In the event that PROJECT OKLAHOMA begins operating its business, but subsequently discontinues operating its business in such for any reason (a "Business Interruption"), except as a result of fire, explosion, or other casualty or accident, force majeure or other natural disaster, war or civil unrest, a taking under eminent domain, regulatory restrictions of any applicable governmental entity which makes conduct of the PROJECT OKLAHOMA illegal or

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economically untenable, or other event beyond the reasonable control of PROJECT OKLAHOMA: (the "Business Interruption Exceptions") for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event PROJECT OKLAHOMA shall be required to repay to LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of such period.

- (b) In the event that PROJECT OKLAHOMA shall fail to repay the LEDC within thirty (30) days of the date such repayment is due, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full repayment of any monies expended. The burden shall be upon PROJECT OKLAHOMA to prove to the satisfaction of the LEDC that the discontinuance of operating its business was a result of one of the Business Interruption Exceptions. In the event PROJECT OKLAHOMA meets this burden and the LEDC is satisfied that the discontinuance of the operation of the manufacturing facility was the result of events beyond the control of PROJECT OKLAHOMA, the parties shall commemorate such satisfaction in a document signed and dated by the Parties. PROJECT OKLAHOMA shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.
- (c) In the event that following a Business Interruption which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full payment of such monies.
- (b) In the event that PROJECT OKLAHOMA allows ad valorem taxes owed to the City of Lockhart, Texas on the Property, or its business personal property or inventory to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on PROJECT OKLAHOMA assets for full payment of such monies.

Section 6. Certification of Compliance by PROJECT OKLAHOMA

On or before March 1 of each year that this Agreement is in effect, PROJECT OKLAHOMA shall upon request certify in writing to the LEDC that it is in compliance

with all provisions of this Agreement. Such certification shall include any and all documentation required by the LEDC establishing that PROJECT OKLAHOMA has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records of related to the provisions of this Agreement, including but not limited to FTE positions created or retained, capital investments made, and use or distribution of and direct incentives received.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

(a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and PROJECT OKLAHOMA expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.

(b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between the LEDC and PROJECT OKLAHOMA with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the LEDC and PROJECT OKLAHOMA.

Section 9. Successors and Assigns

This Agreement may not be assigned to any third party by PROJECT OKLAHOMA without the written consent of LEDC. In the event of such assignment or in the event of legal succession of PROJECT OKLAHOMA interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

PROJECT OKLAHOMA:

President/CEO
PROJECT OKLAHOMA
1400 FM-20 East (Blackjack Road)
Lockhart, TX 78644

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

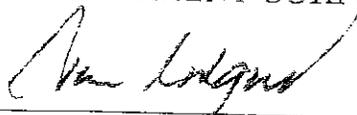
In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and PROJECT OKLAHOMA agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

THE LOCKHART ECONOMIC
DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



Robert Tobias, LEDC Secretary

PROJECT OKLAHOMA:

President/CEO

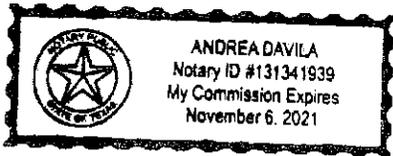
State of Texas §
 §
County of Caldwell §

The foregoing instrument was acknowledged before me this 4th day of August, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas.

Andrea Davila

Notary Public State of Texas

My Commission expires:
November 6, 2021



State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by John Kinzer, known to me to be the President/CEO of PROJECT OKLAHOMA, a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires

**POTENTIAL VALUE OF INCENTIVES PACKAGE
PROSPECT: PROJECT OKLAHOMA**

Incentives to locate \$6.75 million project and create up to 70 FTE jobs with an average annual wages of over \$75,000; estimated total payroll of \$5.25 million in five years

LEDC INCENTIVES PROPOSED:	Up to
Reimburse company for development of land, improvements	\$337,500
Reimburse impact, building/inspection fees, water/sewer taps	\$25,000
Electric transformers	\$25,000
Workforce incentives for 20 jobs at \$2,000 per job	\$40,000
LEDC INCENTIVES PROPOSED UP TO:	\$427,500

* LEDC will reimburse company incentives up to \$427,500 upon proof of \$6.75 million capital investment to be paid out in increments

**Other incentives to be pursued via City and County property tax rebates, ACC Skills Development Fund, and other

All above potential incentives to be considered by LEDC in Aug 2018 but subject to final approval by City Council and County

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**LOCKHART ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION NO. 2018-06**

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION (LEDC) FOR FUNDING UP TO \$427,500 FOR PROJECT OKLAHOMA UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named PROJECT OKLAHOMA after proper public notice and a public hearing on August 6, 2018, for an incentive amount not to exceed \$427,500 based on a \$6.75 million investment, with up to 70 new full-time equivalent (FTE) jobs with an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period; and

WHEREAS, the LEDC has determined that PROJECT OKLAHOMA (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

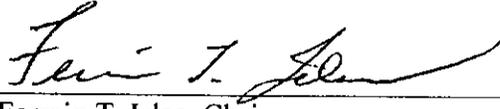
SECTION 2. The infrastructure improvements project costs and other associated development costs are HEREBY APPROVED as follows:

The LEDC shall pay up to \$427,500 for infrastructure and other development costs subject to the conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

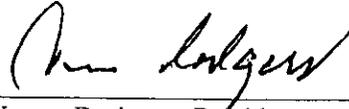
LEDC Resolution No. 2018-06

PASSED AND ADOPTED at a meeting of the Lockhart Economic Development Corporation held on this 10th day of August, 2018.

Lockhart Economic Development Corporation

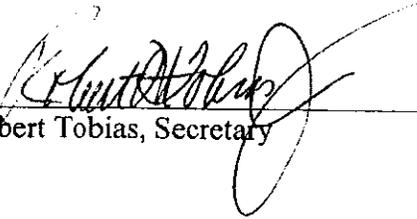


Fermin T. Islas, Chairperson



Vance Rodgers, President

Attest:



Robert Tobias, Secretary

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and PROJECT OKLAHOMA a limited liability corporation.

RECITALS

WHEREAS, PROJECT OKLAHOMA desires to expand to the City of Lockhart, Texas ("City") and participate in the Economic Development Program established in this Agreement; and

WHEREAS, the LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to PROJECT OKLAHOMA to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City's tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and PROJECT OKLAHOMA desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and PROJECT OKLAHOMA agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by PROJECT OKLAHOMA. When used hereafter, the phrase “duration of this Agreement” shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of PROJECT OKLAHOMA agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) To provide incentives up to \$427,500 for developments and other associated costs, which will create up to 71 FTE jobs with an average annual wage of \$75,000 per year which are subject to the conditions set out herein and in Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979). The amount of financial benefit that PROJECT OKLAHOMA will retain from the LEDC project funds is subject to the number of jobs created, as described in attached Potential Value of Incentives Package.

Section 4. PROJECT OKLAHOMA Requirements

In consideration of LEDC agreeing to perform the foregoing, PROJECT OKLAHOMA agrees:

- (a) To purchase the building at 1400 FM-20 (Blackjack Street) and for other related improvements valued at \$4 million in City of Lockhart;
- (b) To begin operation within 120 days of agreement;
- (c) To employ a minimum of 71 Full Time Equivalent (“FTE”) employees at an average annual wage of \$75,000 for the (10) ten-year period of this agreement. The term “Full Time Equivalent,” as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 2,080 hours;
- (d) To keep current in the payment of taxes owed to any taxing jurisdiction in which the Property is located.

Section 5. Recapture/Termination

- (a) In the event that PROJECT OKLAHOMA begins operating its business, but subsequently discontinues operating its business in such for any reason (a “Business Interruption”), except as a result of fire, explosion, or other casualty or accident, force majeure or other natural disaster, war or civil unrest, a taking under eminent domain, regulatory restrictions of any applicable governmental entity which makes conduct of the PROJECT OKLAHOMA illegal or

economically untenable, or other event beyond the reasonable control of PROJECT OKLAHOMA: (the "Business Interruption Exceptions") for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event PROJECT OKLAHOMA shall be required to repay to LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of such period.

- (b) In the event that PROJECT OKLAHOMA shall fail to repay the LEDC within thirty (30) days of the date such repayment is due, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full repayment of any monies expended. The burden shall be upon PROJECT OKLAHOMA to prove to the satisfaction of the LEDC that the discontinuance of operating its business was a result of one of the Business Interruption Exceptions. In the event PROJECT OKLAHOMA meets this burden and the LEDC is satisfied that the discontinuance of the operation of the manufacturing facility was the result of events beyond the control of PROJECT OKLAHOMA, the parties shall commemorate such satisfaction in a document signed and dated by the Parties. PROJECT OKLAHOMA shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.
- (c) In the event that following a Business Interruption which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full payment of such monies.
- (b) In the event that PROJECT OKLAHOMA allows ad valorem taxes owed to the City of Lockhart, Texas on the Property, or its business personal property or inventory to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on PROJECT OKLAHOMA assets for full payment of such monies.

Section 6. Certification of Compliance by PROJECT OKLAHOMA

On or before March 1 of each year that this Agreement is in effect, PROJECT OKLAHOMA shall upon request certify in writing to the LEDC that it is in compliance

with all provisions of this Agreement. Such certification shall include any and all documentation required by the LEDC establishing that PROJECT OKLAHOMA has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records of related to the provisions of this Agreement, including but not limited to FTE positions created or retained, capital investments made, and use or distribution of and direct incentives received.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

(a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and PROJECT OKLAHOMA expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.

(b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between the LEDC and PROJECT OKLAHOMA with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the LEDC and PROJECT OKLAHOMA.

Section 9. Successors and Assigns

This Agreement may not be assigned to any third party by PROJECT OKLAHOMA without the written consent of LEDC. In the event of such assignment or in the event of legal succession of PROJECT OKLAHOMA interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

PROJECT OKLAHOMA:

President/CEO
PROJECT OKLAHOMA
1400 FM-20 East (Blackjack Road)
Lockhart, TX 78644

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and PROJECT OKLAHOMA agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

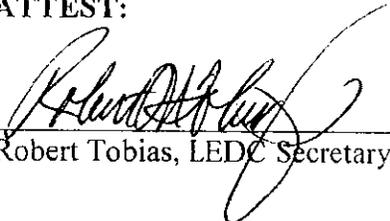
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

THE LOCKHART ECONOMIC
DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



Robert Tobias, LEDC Secretary

PROJECT OKLAHOMA:

President/CEO

State of Texas §
 §
County of Caldwell §

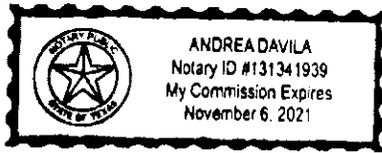
The foregoing instrument was acknowledged before me this 4th day of August, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas.

Andrea Davila

Notary Public State of Texas

My Commission expires:

November 6, 2021



State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by John Kinzer, known to me to be the President/CEO of PROJECT OKLAHOMA, a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires:

**POTENTIAL VALUE OF INCENTIVES PACKAGE
PROSPECT: PROJECT OKLAHOMA**

Incentives to locate \$6.75 million project and create up to 70 FTE jobs with an average annual wages of over \$75,000; estimated total payroll of \$5.25 million in five years

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Workforce incentives for 20 jobs at \$2,000 per job	\$40,000
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**Other incentives to be pursued via City and County property tax rebates, ACC Skills Development Fund, and other

All above potential incentives to be considered by LEDC in Aug 2018 but subject to final approval by City Council and County

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HISTORY

**LOCKHART ECONOMIC DEVELOPMENT CORPORATION
PUBLIC HEARING NOTICE**

The Directors of the Lockhart Economic Development Corporation (LEDC) will conduct a public hearing on Monday, August 6, 2018, at 6:00 p.m. in the Upstairs Conference Room at Lockhart City Hall, 308 West San Antonio Street, Lockhart, Texas to discuss a project under Section 4B of the Texas Economic Development Corporation Act of 1979.

The Public Hearing is to consider a new project, Project Oklahoma, which is considering an expansion to Lockhart. The company plans to purchase the building located at 1408 Blackjack Street to house a manufacturing facility. The initial capital investment is estimated at \$6.75 million and the company will create up to 70 new jobs with an average wage of \$75,000 per year. The LEDC will be considering possible reimbursable incentives up to \$427,500 to be offered to the company to help facilitate their investment and expansion to Lockhart.

All interested parties are encouraged to attend and present their views. Persons with disabilities that plan to attend this meeting should contact the City Secretary's office to arrange for assistance. Individuals who require aids or services for this meeting should contact City Hall at least two days before the meeting.

Lockhart Economic Development Corporation



Business Information Form

Date Received: _____ Project: _____

INSTRUCTIONS

The Business Information Form is intended for internal economic development analysis and efforts will be made to restrict circulation of the information included on the form to appropriate members of the City of Lockhart. However, please note that the Texas Open Records Act provides that information collected, assembled, or maintained by the City under a law or ordinance or in connection with the transaction of official business is generally considered to be public information. However, the Texas Public Information Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached and is ready for consideration, this document may be posted to the city's website for public disclosure.

Questions or Comments

Please contact
Rob Tobias
Director of Economic Development, City of Lockhart
rtobias@lockhart-tx.org
308 W. San Antonio
Lockhart, TX 78644
(P) 512-398-3461

CERTIFICATION OF APPLICATION – BUSINESS

Authorized Business Representative (This is the Applicant)

First Name John Last Name Kinzer
Title President & CEO
Organization Visionary Fiber Technologies, Inc.
Street Address 7813 Lazy River Cv (Personal Address)
Mailing Address Same as personal address
City Austin State TX Zip 78730 -
Phone Number 312-339-2200 Fax Number
Mobile Number Same Website
Email Address

The following consultant is authorized to provide and obtain information related to this application. However, the City of Lockhart reserves the right to contact the applicant business directly at any time.

Consultant Name Pierre Sharboneau Phone Number 512-669-9390
Consultant Email sharboneau@aol.com

To the best of my knowledge and belief, the information contained in this Lockhart Application is true and correct, as evidenced by my signature below. I further certify that the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within Texas.

Signature _____ Date 5/21/18
(Primary Business Representative)

BUSINESS APPLICANT INFORMATION

1A. Exact legal name of the entity applying to the City of Lockhart incentive.

Visionary Fiber Technologies, Inc.

1B. In addition to the Applicant, list all corporate subsidiaries under which jobs will be reported for this project.

None Currently

Federal Tax ID number 82-5294310 Comptroller of Public Accounts number N/A

Corporate credit rating and source N/A Service / product produced Manufacturing / Monitoring

Will the Business be required to pay state sales and use tax on equipment? Yes No Undetermined

NAICS Code TBD

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls.

- Advanced Technologies and Manufacturing, including four sub-clusters: Nanotechnology and Materials; Micro-electromechanical Systems; Semiconductor Manufacturing; Automotive Manufacturing
- Aerospace, Aviation and Defense
- Biotechnology and Life Sciences, not including medical services
- Information and Computer Technology, including three sub-clusters: Communications Equipment; Computing Equipment and Semiconductors; Information Technology
- Petroleum Refining and Chemical Products
- Energy, including three sub-clusters: Oil and Gas Production; Power Generation and Transmission; Manufactured Energy Systems
- None apply

PROJECT INFORMATION

Please describe the Project:

We are the commercialization arm for a portfolio of global patents on scientific processes equipment targeting various fields and industries including: agricultural food oil production, recyclables for bio fuel production, pharmaceutical APIs and rare earth element extractions. Our desire for an Austin area location will include administration, assembly and global distribution of units, monitoring of remote controller systems, and a showcase facility to prove the functionality of commercialized reactors to process up to six million gallons of product annually. We have a need for a community that can provide manufacturing capabilities with necessary certifications for chemicals used in processing, nearby distribution channels, and resources for needed professional talent. We are clean, proactive, and a forward-thinking business that can enhance numerous industries in an eco-friendly manner. We are looking for a location to establish our global headquarters to showcase our Company to the world in a location/region we can be proud to call home.

Is the company considering other Texas Locations? Yes No

Is the company considering other U.S. Locations? Yes No

Is the company considering other Global Locations? Yes No

Market for Product of Activity: Local State U.S. Global

Location of Planned Investment:

1400 Black Jack Street Lockhart, Texas, 78644 in Caldwell County, Texas.

Project Timeline

Expected Start Date: June 15, 2018

Expected Complete Date: August 31, 2018

Project Capital Investment (U.S. Dollars)

Leasing Plans: Yes No

Land: \$500,000 Total Acres: 5.5

Building: \$1,500,000 Square Feet: 31,000

Investment Schedule

(Please provide a 10-year list of the following items.)

Year	Land	Building	M&E	FF&E	Taxable Inventory	Labor	Total
2018	\$500,000	\$1,500,000	\$1,000,000	\$500,000	\$550,000	\$1,060,000	\$5,110,000
2019				\$500,000	\$1,650,000	\$7,759,000	\$9,909,000
2020				\$500,000	\$3,300,000	\$11,584,000	\$15,384,000
2021				\$500,000	\$5,500,000	\$16,894,000	\$22,894,000
2022				\$500,000	\$8,250,000	\$22,194,000	\$30,994,000
2023							TBD
2024							TBD
2025							TBD
2026							TBD
2027							TBD
TOTALS	\$500,000	\$1,500,000	\$1,000,000	\$2,500,000	\$19,250,000	\$59,491,000	\$84,241,000

PROJECT TOTAL >\$84,241,000

Depreciation Schedule

Item	Years	Percent per Year	Item	Years	Percent per Year
Machinery	10	10	Building	20	5
Equipment	10	10	Other		

Job Categories and Wage Distributions (within 12 months)

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	4	1	\$200,000	50%
Manager	2	0	\$175,000	100%
Supervisor	2	0	\$130,000	100%
Staff	10	1	\$100,000	75%
Entry Level	2	0	\$75,000	100%

What is the expected average wage for the lowest paid 10% of local workers? \$75,000.00

JOB CREATION & INVESTMENT SCHEDULE

Year	Existing Jobs On Site	New Jobs	Total
1	0	10	10
2	10	10	20
3	20	12	32
4	32	15	47
5	47	20	67
6			
7			
8			
9			
10			
Total			

Note: A breakdown of the types of new full-time jobs to be created by classification, title, and the salary may be requested.

Number of new full-time jobs to be included in City Agreement 10

Estimated annual *median* wage of new jobs to be created >\$75,000

Note: The median wage is determined by listing all salaries in ascending order and selecting the value with equal number of salaries above and below its value, or with an average of the two middle values if there is no middle number.

SERVICE REQUIREMENTS

Electric

Peak Monthly Demand in Kilowatts (KW): _____

Average Monthly Usage in Kilowatt Hours (kWh): _____

Average Monthly Load Factor: _____

Dual Feed Required: Yes No

Current Rate (cents per kWh): _____

Water

Average Monthly Usage: 30,000

Meter Size: _____

Waste Water

Average Monthly Discharge: 15,000

Miscellaneous

Building Size: 31,000 Manufacturing Space: 25,000

Office Space: 6,000 Ceiling Heights: 20 Ft

Acres: 5.5 Docks/Type: 2 Dock High, 3 Ground Level

Parking Requirements: 30 Spaces

Rail: Yes No Interstate: Yes No

Commercial Airport: Yes No Fiber: Yes

ECONOMIC IMPACT OF PROJECT

Will the Project Generate:

Property Tax:
Land: Yes No
Building: Yes No
M&E: Yes No
Inventory: Yes No

Local Sales Tax: Yes No

State Sales Tax: Yes No

Total annual company purchases subject to local sales tax: \$1,000,000
(For example: office supply purchases, operating expenses, and taxable professional services)

Indirect Local Revenue: Yes No

Describe:

Shipping and other logistics required by local trucking and shipping companies. Office and industrial supplies and parts. Technical services and maintenance.

Other Local Revenue: Yes No

Describe:

Receiving, processing, distribution of raw corn oil and recycled food oil products.

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in vendor contracting through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in vendor contracting:

Yes No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

The Company will hire an HR group to ensure we have sufficient and legal goals that meet Federal and State requirements.

COMPANY FINANCIAL DATA

The applicant company is asked to provide three consecutive years of financial data in the form of independent, audited financial statements containing, at a minimum, the following categories:

- Current Assets
- Inventories
- Total Assets
- Current Liabilities
- Total Liabilities
- Total Equity
- Net Income
- Revenue
- Cost of Goods Sold
- Current Accounts Receivable

Note: Audited financial statements are required from the Applicant company, as listed on page 4, line 1A of this application. If financial statements are provided from a parent entity, the parent will be required to guarantee any economic development agreement with the City of Lockhart, should one result from this application.



**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: Economic Development		Initials	Date	
Department Head: Robert Tobias	Asst. City Manager			
Dept. Signature: <i>by (Signature)</i>	City Manager	<i>(Signature)</i>	<i>8-17-18</i>	
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action regarding Resolution 2018-13 amending Resolution 2018-11 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Crop One Holding, Inc. (Project Soar) in an amount not to exceed \$491,049 based on a \$15 million capital investment in the project that will create at minimum 50 new full-time equivalent (FTE) jobs at an average annual wage of \$35,000. (FIRST READING)				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S): LEDC				
SUMMARY OF ITEM				
On June 5, 2018, City Council approved Resolution 2018-11 approving Project Soar as a Project and the related Performance Agreement proposed by the LEDC. Upon receipt of the approved Performance Agreement, the Company's legal counsel identified some additions necessary to move the project forward. That resulted in additional negotiations and revisions to the Performance Agreement. The revisions are related to the need for a minor plat approval, additional assurances from the LEDC of its capacity to provide the necessary public infrastructure to support this project, placing an option on adjacent property for their potential expansion, and the need for the LEDC to acquire 13.6 acres of land at the Centerpoint East Business Park. The LEDC board approved the revisions to the Performance Agreement and the purchase of the land to develop this project and to attract other industrial users.				
STAFF RECOMMENDATION				
Staff respectfully recommends approval of Resolution 2018-13 as presented.				
List of Supporting Documents: Resolution 2018-13, Economic Development Performance Agreement		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation <i>36</i>		

RESOLUTION NO. 2018-13

A RESOLUTION OF THE LOCKHART CITY COUNCIL AMENDING RESOLUTION NO. 2018-11 REGARDING APPROVAL OF THE PERFORMANCE AGREEMENT FOR PROJECT SOAR (CROP ONE HOLDINGS) BY THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, by Resolution No. 2018-11 dated June 5, 2018, the City Council of the City of Lockhart approved the funding of a project of the Lockhart Economic Development Corporation ("LEDC") called Project Soar (COH); and

WHEREAS, as of the date of the Resolution the LEDC and the Business Entity that will develop Project Soar (COH) had negotiated Performance Agreement regarding the project, as required by Sec. 501.158, Texas Local Government Code; and

WHEREAS, certain terms of the Performance Agreement have been amended since the adoption of the Resolution which include LEDC's commitment to ensure that utilities, infrastructure, and a roadway will be made available for the project and that LEDC will assist in securing City approval of the Project as an Enterprise Zone Project for purposes of the Texas Enterprise Zone Program; and

WHEREAS, it is the desire of the City Council of the City of Lockhart to acknowledge and confirm the City's commitment to perform the obligations of said Performance Agreement, in order to ensure that the LEDC will meet and comply with the same;

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The commitments and obligations of the LEDC contained in the Performance Agreement for Project Soar (COH), including the City of Lockhart 2015 Certificates of Obligation funding for water infrastructure construction commitments adjacent to the property, and the LEDC funding and acquisition commitments for the purchase of the Option Parcel by the LEDC as provided therein are hereby approved and confirmed by the City Council of the City of Lockhart.

SECTION 3. Except as herein amendment the terms of Resolution No. 2018-11 shall remain in full force and effect.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, City Secretary

Peter Gruning, City Attorney

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and Crop One Holdings, Inc. ("CROP ONE"), a Texas Limited Liability corporation.

RECITALS

WHEREAS, CROP ONE desires to expand its operations to the City of Lockhart, Texas ("City"), to acquire a 5.43 acre tract within the City, to construct a facility in the City, of at least 70,000 square feet with other improvements, including equipment ("the Facility"), and participate in the Economic Development Program established in this Agreement; and

WHEREAS, LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to CROP ONE under such Economic Development Program to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City's tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and CROP ONE desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and CROP ONE agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by CROP ONE at the Facility. When used hereafter, the phrase "duration of this Agreement" shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of CROP ONE's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) Provide a Grant equal to \$491,049 to CROP ONE in two parts as described below.
- (b) Provide 50% of the \$491,049 Grant to CROP ONE after CROP ONE purchases 5.43 acres of land in the City, constructs the Facility, as provided below, and receives a Certificate of Occupancy from the City.
- (c) Provide the remaining 50% of the \$491,049 Grant to CROP ONE after CROP ONE provides proof of the creation of up to fifty (50) FTE jobs with an average annual wage of \$35,000 per year as provided in Item 4(e) below and which are subject to the requirements of Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979).

The amount of financial benefit that CROP ONE will retain from LEDC project funds is subject to the number of jobs created, as described in 4(e) below.

- (d) Cause the LEDC to acquire a 7.64 acre tract of land contiguous to the 5.43 acre tract of land ("Option Parcel") and to grant an exclusive option to purchase the Option Parcel to LEDC for the sole benefit of CROP ONE ("Option"). The Option shall be for a time period of five (5) years from the date of closing of the purchase of the 5.43 acre tract of land referenced herein, at a purchase price equal to the current purchase price per acre, as prorated, for the 5.43 acre tract of land. CROP ONE shall pay the LEDC, at the time of closing on the 5.43 acre tract, an option fee equal to five percent (5%) of the purchase price of the 7.64 acre tract.

- (e) Ensure that all utilities and infrastructure needed to operate the Facility, including, without limitation, water, electricity, sanitary sewer, storm sewer and detention ponds, if required, natural gas, and telecommunications are available to the Facility by March 1, 2019. If CROP ONE exercises the Option and purchases the Option Parcel, LEDC shall further ensure that any and all additional utilities and infrastructure needed to operate the improvements to be constructed on the Option Parcel shall be available thereto based on the milestone dates to be agreed upon by LEDC and CROP ONE.
- (f) Ensure that a dedicated roadway that provides truck and automobile access from state route 130 to and from the Facility, along with lighting and sidewalks is constructed by March 1, 2019.
- (g) Assist in obtaining approval by the City of Lockhart of the Project as an Enterprise Zone Program for purposes of CROP ONE applying for Texas Enterprise Zone Program benefits.
- (h) Provide, as a condition precedent to the effectiveness of this Agreement, copies of authorizing resolution(s) confirming approval of the City Council of the City of Lockhart of this Project and the funding and infrastructure construction commitments of the City in support of this Agreement and the funding and acquisition commitments for the purchase of the Option Parcel by the LEDC as provided herein.
- (i) Provide to CROP ONE, as a further condition precedent to the effectiveness of this Agreement, a copy of the fully executed purchase agreement between the LEDC and the current owner of the Option Parcel, under which the LEDC shall acquire the Option Parcel as provided above.
- (j) To the extent reasonably feasible, assist in causing the replatting of the 5.43 acre tract as a separate tax parcel, in compliance with applicable law.
- (k) To the extent reasonably feasible, assist in causing the issuance of all necessary permits, licenses and consents by the City of Lockhart for construction and operation of the Facility to be expedited.

In furtherance of Sections 3(e) and (f), LEDC shall provide CROP ONE, within thirty (30) days from the date hereof, with a list of milestone dates for each designated phase of the work provided therein, which shall be complementary to CROP ONE's construction schedule in the completion of each phase of the Facility. The purpose of such list of milestone dates is in order that the LEDC and CROP ONE shall coordinate their respective construction activities with the other in order to facilitate completion of their respective responsibilities and obligations in a timely and legally compliant manner. Such milestone dates shall be amended, as needed, in order to stay current but failure of either party to meet a milestone date shall not be a breach of this Agreement. For the purpose of this Section 3, a sketch of the 5.43 acre tract of land and the Option Parcel.

and of the roadway connection to these premises, is attached hereto as Schedule 3 and made a part hereof.

LEDC represents and warrants to CROP ONE that it has available funding to finance all of the work provided in Sections 3(e) and (f).

Section 4. CROP ONE Requirements

In consideration of LEDC agreeing to perform the foregoing, and subject to any force majeure or Business Interruption Exception, as hereinafter defined, CROP ONE agrees:

- (a) Subject to compliance by the seller of the operative purchase agreements, and the satisfaction of all conditions precedent to the closing thereunder, purchase the 5.43 acres referenced in this Agreement;
- (b) Construct the Facility in the City of at least 70,000 square feet and with other improvements, including equipment, with a current project budget of approximately \$10,000,000.00 in capital investment, provided that CROP ONE shall be entitled to revise the budget as a result of, among other things, savings realized by value engineering, reduction of costs in building materials, equipment, labor and other components of the Facility, and substitution of individual facility components;
- (c) Submit schematic drawings for the Facility to the City within one hundred twenty (120) days of execution of this agreement and thereafter commence construction of the Facility within one hundred twenty (120) days after the later of (i) the City's approval of the construction plans and issuance of a building permit for the Facility and (ii) CROP ONE's purchase of the 5.43 acre tract;
- (d) Complete construction of the Facility within eighteen (18) months after the occurrence of the later of item 4(c) (i) or (ii) above;
- (e) Employ a minimum of fifty (50) Full Time Equivalent ("FTE") employees having an average annual wage of at least \$35,000 within the first five (5) years from the commencement of the term of this Agreement according to the following schedule:
 - End of year one: Twenty (20) employees
 - End of year two: Thirty (30) employees
 - End of year three: Thirty-five (35) employees
 - End of year four: Forty (40) employees
 - End of year five: Fifty (50) employees

For the purposes of the payment of the amount of the grant contained in Item 3(c) above, LEDC shall pay the same to CROP ONE within thirty (30) days of

receipt of satisfactory proof of employment of fifty (50) FTE employees regardless of the year during said five years in which that total is reached;

CROP ONE shall provide LEDC with proof of employment of employees by submitting copies of payroll records omitting individual names, and federal employment tax forms providing for only the last four digits of employee social security numbers, or other documentation reasonably satisfactory to LEDC, which shall be provided within thirty (30) days of the end of each year of the term of this Agreement;

Retain at least that number of FTE employees for another five (5) years after fulfilling the creation of said fifty (50) jobs. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 1,820 hours including hours associated with holidays, vacation, sick and personal time, and overtime; and

- (f) Keep current in the payment of taxes owed for the Facility to any taxing jurisdiction in which the 5.43 acre tract is located, unless such taxes are being legally contested by CROP ONE.

Section 5. Termination and Recapture

- (a) Subject to the curative rights available to CROP ONE under this Agreement, in the event that CROP ONE begins operating its business at the Facility but subsequently discontinues such operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event CROP ONE shall be required to repay to LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that CROP ONE shall not be required to repay such monies if such discontinuation of operations is caused by force majeure or is due to a "Business Interruption Exception." For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, or civil unrest, and "Business Interruption Exception" shall be defined as a taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the CROP ONE illegal or economically unsustainable, is beyond the reasonable control of CROP ONE and LEDC agrees in the exercise of its reasonable judgment that continued or renewed operations are economically unsustainable or the failure of LEDC to perform any of its obligations contained in Section 3 hereof. Furthermore, CROP ONE shall not be required to repay such amounts so long as it is diligently taking action(s) to renew or continue operations at the Facility and such action(s) are considered diligent by the LEDC in the exercise of its reasonable judgment.
- (b) Subject to the curative rights available to CROP ONE under this Agreement, in the event, that CROP ONE shall fail to repay LEDC within thirty (30) days of the

date such repayment is due according to the written demand from LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE. The burden shall be upon CROP ONE to prove to the satisfaction of LEDC that the discontinuance of operating its business or diligent actions to renew or continue operations was allowed under Item 5(a) above. In the event CROP ONE meets this burden and LEDC, in its reasonable judgment, is satisfied that the discontinuance of the operation of the manufacturing facility was allowed under Item 5(a), the parties shall commemorate such satisfaction in a document signed and dated by the Parties. CROP ONE shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.

- (c) Subject to the curative rights available to CROP ONE under this Agreement, in the event, that following a Business Interruption Exception which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, CROP ONE shall be required to repay LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event, that CROP ONE shall fail to timely repay LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE.
- (d) In the event, that CROP ONE allows ad valorem taxes owed to the City on the Property, or its business personal property or inventory to become delinquent and fails to pay such sums after receipt of sixty (60) or more days notice of such delinquency from LEDC, CROP ONE shall be required to repay LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event, except that CROP ONE shall not be required to pay any monies to LEDC or otherwise be considered in default of this Agreement if it challenges any such taxes or assessments by the institution of appropriate legal proceedings, including, without limitation, administrative proceedings. In the event, that CROP ONE shall fail to timely repay LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE.
- (e) In the event that CROP ONE fails to employ a minimum of fifty (50) Full Time Equivalent ("FTE") employees having an average annual wage of at least \$35,000 within the first five (5) years from the commencement of the term of this Agreement according to the schedule provided in Item 4(e) above, or fails to retain at least that number of FTE employees for another five (5) years after fulfilling the creation of said fifty (50) jobs, CROP ONE shall reimburse LEDC the sum of \$9,821.00 for each job that is less than the total required in a year or for which the average annual wage paid is less than \$35,000.00. LEDC and CROP ONE acknowledge that employee turnover and local labor shortages may cause CROP ONE to fail to meet or retain the minimum number of jobs during one or more years of the term of this Agreement, and CROP ONE shall not be

required to reimburse LEDC said amount for a job that is or becomes vacant and which CROP ONE is unable to fill for a period of three (3) months or more despite its reasonable and documented efforts to do so.

Section 6. Certification of Compliance by CROP ONE

On or before March 1 of each year that this Agreement is in effect, CROP ONE shall, upon written request from LEDC and in addition to any other reports to LEDC required in this Agreement, certify in writing to LEDC that it is in compliance with all provisions of this Agreement. Such certification shall include any and all documentation reasonably required by LEDC establishing that CROP ONE has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law, subject to the limitations set forth above. LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records directly pertaining to the FTE positions created or retained payment of taxes due the City of Lockhart, and use or distribution of and direct incentives received.

LEDC for itself, employees and contractors, shall keep strictly confidential any and all information about employees or other individuals employed at the Facility as a result of information provided to, or inspected by, LEDC in connection with the administration of this Agreement under Section 6 hereof or otherwise, subject to action otherwise required by state law or a court of competent jurisdiction and last resort in the case of an appeal. It is expressly understood that all such information obtained by LEDC is for the limited purpose of verification of CROP ONE's compliance under this Agreement. LEDC shall ensure the confidentiality of such information and shall take all measures necessary to protect the same against disclosure. Furthermore, LEDC shall comply with all reasonable instructions of CROP ONE to maintain the confidentiality of such information.

LEDC for itself, employees and contractors, shall further keep strictly confidential all information obtained by, or furnished to, LEDC in connection with the Facility and the business affairs of CROP ONE that are designated in writing as confidential or proprietary by CROP ONE. Notwithstanding anything contained herein to the contrary, CROP ONE shall not be required to furnish to LEDC or to any other applicable governmental body information which CROP ONE, in its reasonable judgment, considers a trade secret or proprietary, including, without limitation, software, equipment, production processes, customer lists, intellectual property, or other information considered proprietary and confidential by separate agreements with third parties. In the event that LEDC receives a request for information or records in the possession of LEDC about the Facility or CROP ONE's business affairs under the Texas Public Information Act, LEDC shall timely both request a ruling from the Texas Attorney General that such information or records may be withheld from disclosure and shall promptly furnish written notice of such request to CROP ONE in order that CROP ONE shall have the opportunity to brief the Attorney General regarding such information or records or to otherwise challenge such request prior to disclosure.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

- (a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and CROP ONE expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.
- (b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.
- (c) In the event that CROP ONE fails to perform any monetary obligation contained herein within sixty (60) days after receipt of written notice specifying the particulars of the default, or fails to perform any non-monetary obligation contained herein within a reasonable time period after receipt of written notice specifying the particulars of such default so long as CROP ONE commences and diligently prosecutes the curing of such default within the reasonable time period, then CROP ONE shall be deemed to be in default of this Agreement and LEDC shall be entitled to enforce all rights and remedies at law or in equity against CROP ONE. The curative rights stated in the immediately preceding sentence shall complement all other curative rights expressly stated in this Agreement.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between LEDC and CROP ONE with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and CROP ONE.

Section 9. Successors and Assigns

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, except that CROP ONE shall be entitled to assign its rights and interest contained in this Agreement without such written consent of the LEDC provided that such assignment does not release CROP ONE from liability under this Agreement and such assignment will not prejudice the interests of LEDC and is to an affiliate, parent or subsidiary of CROP ONE, a party to whom such assignment is required in order to secure funding or financing of the Facility and project, or such transfer is a sale of the business or project and both will continue in the ordinary course of business. In the event of such assignment or in the event of legal succession of CROP ONE interest in this

Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

CROP ONE:

Chief Financial Officer
2076 Zanker Road
San Jose, CA 95131

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and CROP ONE agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 14. Representations and Warranties of LEDC.

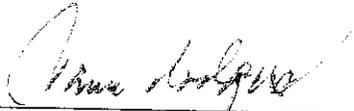
LEDC hereby represents warrants and covenants that:

- (a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.
- (b) The Facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.
- (c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

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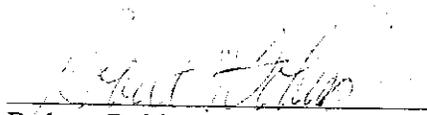
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



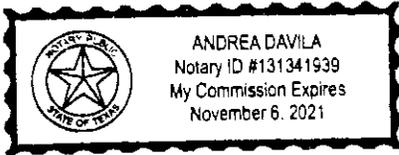
Robert Tobias, LEDC Secretary

CROP ONE HOLDINGS, INC.:

Dave Vosburg, Chief Financial Officer

State of Texas §
 §
County of Caldwell §

The foregoing instrument was acknowledged before me this 17 day of October, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas on behalf of that corporation.



Andrea Davila
Notary Public State of Texas

My Commission expires:
November 6, 2021

State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Dave Vosburg, known to me to be the Chief Financial Officer of CROP ONE HOLDINGS, INC., a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires:

POTENTIAL VALUE OF INCENTIVES PACKAGE

PROSPECT: PROJECT SOAR

APPROVED BY LEDC ON May 21, 2018

Incentives to locate \$15 million project to Lockhart with 50 FTE jobs with an average annual wage of \$35,000; total payroll of \$1.75 million

LEDC INCENTIVES PROPOSED:

INCENTIVE AMOUNTS UP TO:

* Reimburse company for purchase of 5 acres of land adjacent to SH 130 frontage north bound just north of railroad line including surveying, subdividing, and legal fees	\$392,040
** Reimburse impact, building/inspection fees, water/sewer taps	\$59,009
Transformers (with proof of cost to company)	\$40,000

LEDC INCENTIVES PROPOSED UP TO:

\$491,049

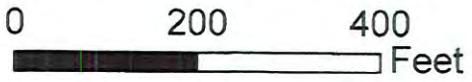
* LEDC will reimburse company 50% of \$491,049 upon proof of \$10 million facility investment and issuance of a Certificate of Occupancy; reimbursement is % ratio based on investment

**Remainder of \$491,029 to be reimbursed upon proof of new jobs creation; reimbursement is % ratio base on job creation

All above potential incentives approved by LEDC on 5-21-2018 but subject to final approval by City Council

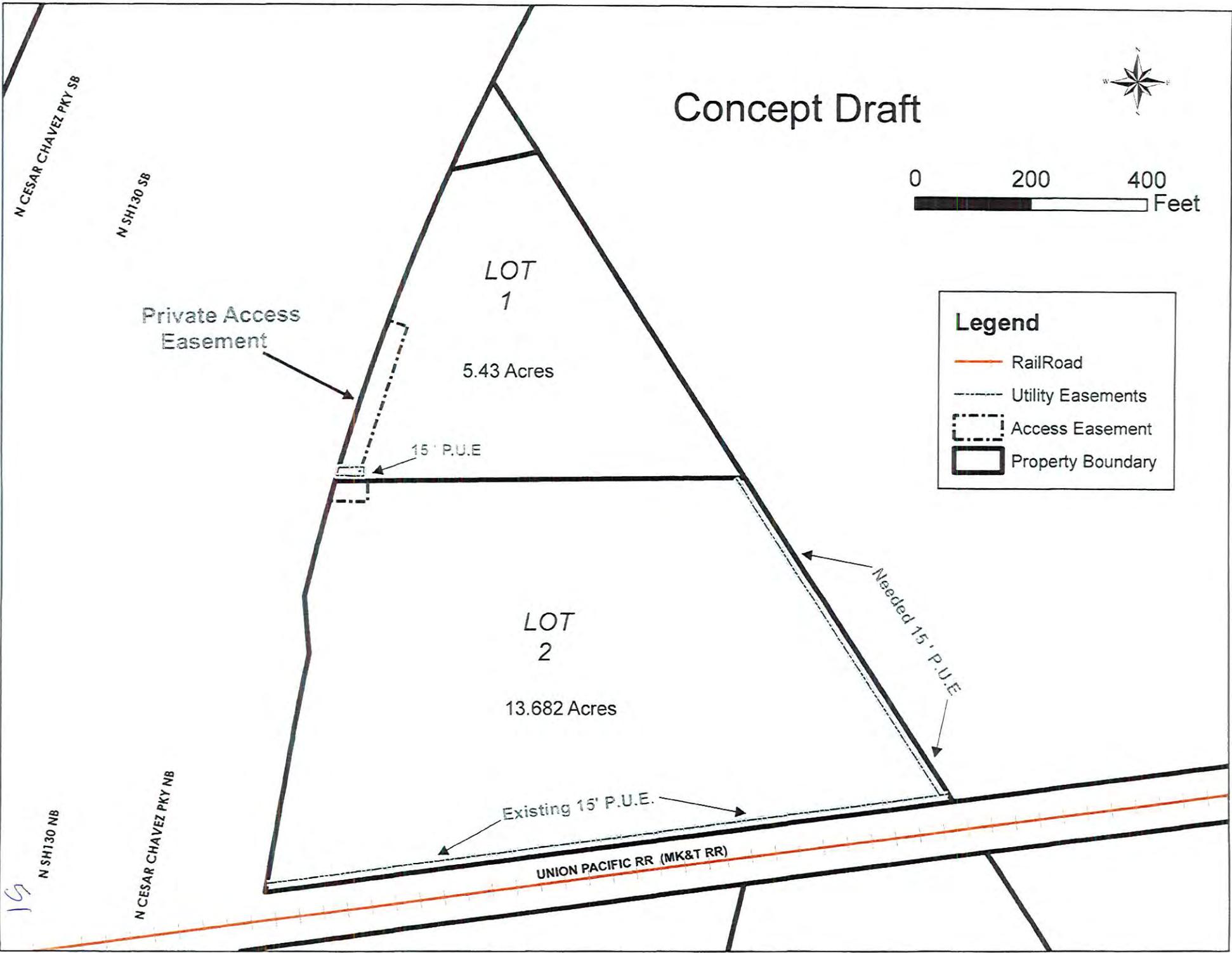
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Concept Draft



Legend

- RailRoad
- Utility Easements
- Access Easement
- Property Boundary



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**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: August 21, 2018			
Department: Economic Development		Initials	Date
Department Head: Robert Tobias	Asst. City Manager		
Dept. Signature: <i>Robert Tobias</i>	City Manager	<i>RT</i>	<i>8-17-2018</i>
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER			
CAPTION			
Conduct the first reading of Resolution 2018-14 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, approving the purchase by the LEDC of 13.682 acres from Centerpoint Business Park East for \$1.50 per square foot along the east frontage road of SH-130 just north of the railroad and to secure sufficient funds for the purchase of this property and to construct an access easement to satisfy the requirements of the minor plat process on which to attract the expansion of Project Soar (Crop One Holdings) and other industrial users. (FIRST READING)			
FINANCIAL SUMMARY			
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED			
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS
Budget			\$0.00
Budget Amendment Amount			\$0.00
Encumbered/Expended Amount			\$0.00
This Item			\$0.00
BALANCE	\$0.00	\$0.00	\$0.00
FUND(S): LEDC			
SUMMARY OF ITEM			
On August 6, 2018, the LEDC board approved and authorized the President to negotiate the purchase of 13.682 acres of land from Centerpoint Business Park East to allow for the expansion of Project Soar (Crop One Holdings) as outlined in the revised Performance Agreement, and to prepare to attract other industrial users.			
STAFF RECOMMENDATION			
Staff respectfully recommends approval of Resolution 2018-14 as presented.			
List of Supporting Documents: Resolution 2018-14, draft minutes of August 6 LEDC board meeting, concept plat		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation	

RESOLUTION NO. 2018-14

A RESOLUTION OF THE LOCKHART CITY COUNCIL APPROVING THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION TO MOVE FORWARD WITH THE PURSUIT OF FUNDING FOR THE ACQUISITION OF A 13.862 ACRE PARCEL AND REQUIRED INFRASTRUCTURE FOR THE DEVELOPMENT OF AN INDUSTRIAL PARK UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named PROJECT SOAR (CROP ONE HOLDINGS) after proper public notice and a public hearing on August 6, 2018; and

WHEREAS, the LEDC has determined that this investment (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The infrastructure improvements, project costs and other associated development costs are **HEREBY APPROVED** as follows:

The LEDC shall pay up to \$1.50 per square foot for 13.862 acres and install access easement infrastructure estimated at \$200,000 and other related development costs subject to the

conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

PASSED AND ADOPTED at a meeting of the Lockhart City Council held on this _____ day of _____, 2018.

City of Lockhart

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC
City Secretary

Peter Gruning, City Attorney

Motion to approve the sale of Lot 4B, 1.806 acre tract in the Lockhart Industrial Park II at the price of \$75,241 to Hill Country Foodworks, Inc. for expansion of the existing business with creation of new jobs.

Motion: Alfredo Munoz Second: Morris Alexander Vote: 6 of 6 to approve

EXECUTIVE SESSION in accordance with the provisions of the Government Code, Title 5, Subchapter D. Section 551.072 to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Open Executive Session at: 6:31 P.M.

5. A. Discussion to consider the purchase of 13.682 acres along SH-130 for the development of an industrial park.

Close Executive Session at: 6:47 P.M.

6. OPEN SESSION

- A. Discussion and/or action to consider the purchase of 13.682 acres along SH-130 for the development of an industrial park.

Motion to authorize Vance Rodgers, LEDC President, to purchase 13.682 acres for \$1.50 per square foot along east frontage road of SH-130 just north of the railroad and further to secure funds for the purchase and to construct an access easement to satisfy the requirements of the simple plat process for the development of an industrial park

Motion: Alfredo Munoz Second: Morris Alexander Vote: 6 of 6 to approve

7. DISCUSSION ONLY

- A. Overview of Tax Increment Financing District and its potential impact on facilitating developments throughout the City.

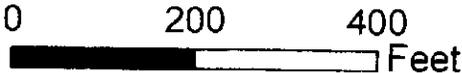
Presentation regarding the development of a Tax Increment Financing district.

8. ADJOURN

Motion to adjourn:

Motion: Alfredo Munoz Second: Nic Irwin Vote: 6 of 6

Concept Draft



Legend

- Rail Road
- Utility Easements
- - - Access Easement
- ▭ Property Boundary

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N CESAR CHAVEZ PKY SB

N SH130 SB

Private Access Easement

LOT 1

5.43 Acres

15' P.U.E.

LOT 2

13.682 Acres

Needed 15' P.U.E.

Existing 15' P.U.E.

UNION PACIFIC RR (MK&T RR)

N SH130 NB

N CESAR CHAVEZ PKY NB

**LOCKHART CITY COUNCIL
REGULAR MEETING**

AUGUST 9, 2018

6:30 P.M.

**CLARK LIBRARY ANNEX-COUNCIL CHAMBERS, 217 SOUTH MAIN STREET, 3rd FLOOR,
LOCKHART, TEXAS**

Council present:

Mayor Pro-Tem Angie Gonzales-Sanchez
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember John Castillo
Councilmember Kara McGregor
Councilmember Brad Westmoreland

Staff present:

Vance Rodgers, City Manager
Peter Gruning, City Attorney
Dan Gibson, City Planner
Chris Knudsen, Police Lieutenant
Sean Kelley, Public Works Director

Connie Constancio, City Secretary
Jeff Hinson, Finance Director
Ernesto Pedraza, Police Chief
John Roescher, Police Captain

Citizens/Visitors Addressing the Council: James Jewell and Apryl Haynes of Seton EMS; Steve Hons of HMT Engineering; Dan Brouillette and Tu Anh Cloteaux of DR Horton; Citizens Bill Stanley, Todd Blomerth, Tim Schuelke, and Shanna Payne.

Work Session 6:30 p.m.

Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY

A. DISCUSS MINUTES OF THE CITY COUNCIL MEETINGS OF JULY 12, 2018, JULY 14, 2018, JULY 17, 2018, JULY 26, 2018 AND JULY 31, 2018.

Mayor White requested corrections to the minutes. There were none.

B. DISCUSS SEMI-ANNUAL REPORT FROM THE IMPACT FEE ADVISORY COMMITTEE CONCERNING THE STATUS OF IMPLEMENTATION OF CHAPTER 31 "IMPACT FEES" OF THE LOCKHART CODE OF ORDINANCES WITH REGARD TO WATER, WASTEWATER, AND ROAD IMPACT FEES.

Mr. Gibson stated that in accordance with State law, the Impact Fee Advisory Committee has an ongoing role in monitoring and evaluating implementation of the impact fee capital improvement plans, and submitting semi-annual reports to City Council. The Committee met on July 25, 2018 to consider their 32nd semi-annual report since impact fees were originally adopted on January 15, 2002. The current total balance of all impact fee accounts is \$1,404,220. Total impact fee revenue during this six-month period was \$158,359, and there were no expenses. The Committee submitted their report that is for the six-month period from October 1, 2017 to March 31, 2018. Because the update to the impact fee capital improvement plans that was adopted on April 4, 2017, eliminated projects that had been accomplished and shows only projects that were not yet funded, the tracking of revenue and expenditures effectively started over at zero. The fund balances carried over and the exhibits are based on the newly adopted CIP's. The next report will be for the period from April 1, 2018 to September 30, 2018.

There was discussion regarding the current impact fee rate process.

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C. DISCUSS INTERLOCAL AGREEMENT WITH CAPITAL AREA EMERGENCY COMMUNICATIONS DISTRICT FOR GOOD AND SERVICES ASSOCIATED WITH THE DELIVERY OF 911 SERVICE OR THE PUBLIC SAFETY ANSWERING POINT (PSAP) FOR THE CITY OF LOCKHART AT A COST NOT TO EXCEED \$1,000 AND APPOINTING THE MAYOR TO SIGN THE AGREEMENT.

Mr. Rodgers stated that the Capital Area Emergency Communications District (CAEDC) provided goods and services for the Lockhart 9-1-1 system. This is often referred to as the PSAP or Public Safety Answering Point. The cost is not to exceed \$1,000 for the FY 2018-2019 period. Mr. Rodgers recommended approval.

D. DISCUSS AWARDING ELECTRICAL PRIMARY TREE TRIMMING SERVICES BID IN THE AMOUNT OF \$40,800.00 TO THE ARBOR EXPERTS OF WEBSTER, TEXAS, AND APPOINTING THE MAYOR TO SIGN ALL RELATED DOCUMENTS.

Mr. Rodgers stated that even with consistent advertising, the electrical primary tree trimming employee budgeted position has not been filled. There have been several applicants, but none were qualified and did not have the experience required in this safety sensitive position. Because of this, bids were advertised in compliance with State law for professional companies that provide these critical services to help avoid power outages due to limbs on power lines. Two bids were received from well-known professional companies. The Arbor Experts submitted the best bid of \$40,800. This company has worked for the City before and performed the work in a timely and safe manner with the budget allowed. Work will be completed by September 30, 2018. The company has the required general liability and workers' compensation insurance to protect the City. Mr. Rodgers recommended approval. There was brief discussion.

E. DISCUSS RATIFYING THE LEASE NEGOTIATED WITH LOCKHART LIVESTOCK AUCTION, LLC, CONTAINING THE TERMS PREVIOUSLY APPROVED BY THE CITY COUNCIL.

Mr. Rodgers stated that after several months of discussions in person and via email, an amended lease agreement with the Lockhart Livestock Auction, LLC has been signed. The lease contains the provisions desired by Council when they gave the City Manager approval to pursue the amended lease. The lease is for 15 years and is for 18 cents per square foot beginning December 1, 2018 and will be subject to a consumer price index (CPI) increase annually not to exceed 3 percent. Mr. Rodgers recommended approval. There was discussion.

F. DISCUSSION REGARDING THE CITY OF LOCKHART'S 2018 CERTIFIED PROPERTY TAX ROLL.

Mr. Hinson stated that the City received the 2018 Certified Property Tax Rolls from the Caldwell County Appraisal District on July 23, 2018. Mr. Hinson explained and there was discussion regarding the following:

- The Appraisal Review Board (ARB) approved totals equal to \$546,981,602.
- The ARB review totals of properties that are contesting property taxes totals \$20,568,463.
- Grand totals of the 2018 certified totals equal \$567,550,065.
- New property value of new homes that were not included in last year's property tax roll equals \$11,284,188. This amount is added into this year's tax roll total.
- Rollback and effective tax rates are set.

There was discussion.

G. DISCUSSION AFTER PRESENTATION BY CITY MANAGER REGARDING PROPOSED FISCAL YEAR 2018-2019 LOCKHART/CALDWELL COUNTY EMERGENCY MEDICAL SERVICES BUDGET.

Mr. Rodgers introduced Apryl Haynes, CEO of Seton and James Jewell, EMS Director of Seton.

He stated that the budget that was presented reflected a loss in revenue for EMS services. Caldwell County and the City of Lockhart share the loss by each entity paying half. Seton will return to the Council sometime in September to request consideration of a new billing company to pursue collections.

Mayor White requested an update regarding the City of Luling's EMS service. Mr. Rodgers explained that the City of Luling stopped utilizing Seton EMS service thereby utilizing EMS units in Lockhart for emergency calls on the southern part of Caldwell County. There were times when one Lockhart EMS unit was being run in Luling. Lockhart picked up 100 percent of EMS salaries since Luling was no longer sharing those expenses thereby creating unexpected additional expenses to Lockhart and Caldwell County with Luling not paying their share. Wage increases are also included for paramedics in the budget in addition to increased costs in drugs utilized during emergencies.

James Jewell, Chief of EMS, stated that the EMS is fully staffed to run two full-time EMS units. EMS is keeping up with the growth of the community to accommodate public safety necessities.

Apryl Haynes, Chief Operating Officer for Seton Edgar B. Davis Hospital, stated that they have been partners with Caldwell County in providing healthcare services for 52 years. Seton continues to give charity care to many residents in Caldwell County and they are committed to continue healthcare services.

There was discussion regarding City of Luling's current EMS service provided to their citizens in comparison with how City of Lockhart's EMS service is being affected due to Lockhart EMS assisting in Luling.

H. DISCUSSION AFTER PRESENTATION BY CITY MANAGER REGARDING LOCKHART POLICE DEPARTMENT OFFICER WAGES AND RECOMMENDED CONSIDERATIONS.

Mr. Rodgers stated that staff has now received the property tax information from the Caldwell County Appraisal District. The City Manager told Council several times during the budget process that when the property information was provided a recommendation regarding Police Department needed pay increases would be provided. According to a recent salary survey, Lockhart's Police officers are generally paid 8 to 15% less than their counterparts in cities our size or larger in the area. The last adjustment to the step pay plan in 2016 placed Lockhart within 3 to 4% of the average, but that has changed dramatically over the past two years. In the interest of public safety in attracting and retaining officers, the difference in wages must be addressed. The City Manager respectfully asks that Council consider providing sufficient funding to increase the Police Step Pay Plan by 10%, which is estimated to cost \$185,000. The maintenance and operations (M&O) effective rate plus new debt equals 0.6727; a 4-cent increase to 0.7107 (current tax rate is \$0.7260) would produce sufficient revenue to cover the additional cost should Council decide to do this. Mr. Rodgers stated that he and the Police Chief recommend approval.

There was discussion regarding a 4-cent tax increase to allow funding to increase police salaries by 10%, and increase non-civil service employees' wages by 3%, and to utilize remaining funds on beginning the renovation process at 728 South Main Street property. The Mayor polled the Council about using the revenue produced from the 4 cents increase above the effective M&O rate for the Police Department officer wage increases, and it was unanimous.

I. DISCUSSION REGARDING THE PROPOSED FISCAL YEAR 2018-2019 GENERAL FUND, ENTERPRISE FUND, DEBT FUND BUDGETS, AND PROPOSED FUNDING SOURCES AND, DISCUSSION REGARDING THE BUDGET AND TAX RATE ADOPTION CALENDAR, IF NECESSARY. (REMINDER: DATE TO SET TAX RATE IS AUGUST 21, 2018 AND PUBLIC HEARING ON BUDGET AND TAX RATE IS SEPTEMBER 4, 2018 AND IF NECESSARY, SEPTEMBER 18, 2018 REGARDING THE TAX RATE.)

Mayor White stated that the tax rate was discussed during the previous item. The consensus was to increase the tax rate by 4 cents.

RECESS: Mayor White announced that the Council would recess for a break at 7:45 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the regular meeting of the Lockhart City Council to order on this date at 8:00 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember McGregor gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. CITIZENS/VISITORS COMMENTS.

Mayor White requested citizens to address the Council regarding a comment on an issue that is not on the agenda. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING ON APPLICATION ZC-18-10 BY HMT ENGINEERING & SURVEYING ON BEHALF OF COTTONWOOD COMMONS, LLC, FOR A ZONING CHANGE FROM RLD RESIDENTIAL LOW DENSITY DISTRICT TO PDD PLANNED DEVELOPMENT DISTRICT, INCLUDING APPLICATION PDD-18-03, A PLANNED DEVELOPMENT DISTRICT DEVELOPMENT PLAN FOR VINTAGE SPRINGS SUBDIVISION PDD, A PROPOSED REPLAT OF LOT 1, BLOCK 2, AND LOT 2, BLOCK 1, TEXAS HERITAGE SUBDIVISION, CONSISTING OF A TOTAL OF 66.7 ACRES LOCATED AT 300 AND 411 MOCKINGBIRD LANE.

Mayor White opened the public hearing at 8:02 p.m. and requested the staff report.

Mr. Gibson stated that the PDD zoning classification is intended to accommodate developments with characteristics that may deviate from normal City standards. In return for such flexibility, the PDD requires an early commitment on the part of the developer in terms of the site layout, land uses, and amenities. Unlike conventional zoning classifications that cannot have conditions attached, the PDD classification is subject to the conditions represented by the development plan, which is adopted by-reference and cannot be changed except through the rezoning process. The subject property is proposed to be replatted into generous public open spaces and 259 residential lots that are smaller than the minimum required by the current RLD zoning of the property. The proposed use is single-family detached residential, and the lots will be a minimum of 50 feet wide (60 feet on corner lots), with most being at least 120 feet deep. All streets, drainage, utilities, and parkland will meet City standards. In addition, sidewalks will be provided on both sides of all streets, even where not required, and a ten-foot wide hike-bike trail is proposed through an internal greenbelt in the approximate location shown on the City's sidewalk and trail plan. Although the lots will be narrow, the houses in this subdivision are proposed to contain a minimum of three bedrooms.

two baths, and a two-car garage. A comparison of various aesthetic standards and landscaping provisions were reviewed. These are amenities that the City does not require in the standard residential zoning districts. The gross density of the subdivision of 3.88 dwelling units per acre, which is considered low density and is, therefore, consistent with the Low Density Residential designation shown on the future land use plan map. A previous version of this proposed development considered by the Council failed when the Council voted 5-2 in favor of a motion and second to approve, but did not have the minimum of six affirmative votes required to override a citizen protest. The most significant changes since then is an increase in the minimum width of the lots from 45 feet to 50 feet, which resulted in a decrease in the number of lots from 279 to 259. Two people spoke against the zoning change at the Planning and Zoning Commission. Additional letters of protest were also submitted after the Planning and Zoning Commission meeting and after the protest submission deadline that totals 19 property owners within the 200-foot boundary. With the additional letters of protest, the total of the owners of 16 percent of the land area within 200-feet protested, which does not require a super-majority vote for approval.

Steven Hons of HMT Engineering explained how the firm has worked with Development Services to commit revising the development plan to address concerns of the neighborhood.

Dan Brouillette and Tu Anh Cloteaux of DR Horton provided information regarding the homes to be built in the subdivision and explained the layout of the homes in regard to the style, layout, floor plans and garage elevation. Mr. Brouillette clarified that the homes that back up to Maple Street will be single story homes.

Mayor White requested citizens in favor of the zoning change to address the Council. There were none.

Mayor White requested the following citizens against the zoning change to address the Council:

Bill Stanley spoke against the zoning change. He stated that he would have generated additional individuals against the development to protest had he known that it was not at 20 percent.

Todd Blomerth, 1105 Spruce, spoke against the zoning change. He stated that he believes that the homes would be small and crowded and would pose an issue for emergency responses. He stated that if approved, the Council would set a precedent for additional developers to also present a PDD that circumvents the adopted zoning and subdivision ordinances.

Tim Schuelke spoke against the zoning change because he believes that the zoning should remain the same because RLD zoning requires larger lots for new residential homes. He also stated that he believes that the property values of his home and other homes in the existing neighborhood would decrease with the new development.

Shayne Payne, 513 St. Thomas, spoke against the zoning change because she believes that the new homes should be similar to the existing neighborhood with larger lots and brick on all sides of the homes.

Mayor White requested additional citizens to address the Council. There were none. He closed the public hearing at 9:07 p.m.

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ITEM 4-B. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2018-18 AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF LOCKHART, TEXAS, TO RECLASSIFY THE PROPERTY KNOWN AS LOT 1, BLOCK 2, AND LOT 2, BLOCK 1, TEXAS HERITAGE SUBDIVISION, CONSISTING OF A TOTAL OF 66.7 ACRES LOCATED AT 300 AND 411 MOCKINGBIRD LANE, FROM RLD RESIDENTIAL LOW DENSITY DISTRICT TO PDD PLANNED DEVELOPMENT DISTRICT, INCLUDING A PLANNED DEVELOPMENT DISTRICT DEVELOPMENT PLAN FOR VINTAGE SPRINGS SUBDIVISION PDD.

Mayor White spoke in favor of the development because the development would be an asset to accommodate the needs for new housing in the community.

Councilmember Mendoza spoke in favor of the development as an attraction to bring additional residents to Lockhart.

Mayor Pro-Tem Sanchez spoke in favor of the development because she believes that new homes are needed in Lockhart.

Councilmember McGregor stated that she has spoken with citizens that were both against and in favor of the development. She stated that she believes that the development should move forward and uphold the Planning and Zoning Commission's recommendation to change the percentage of houses with the garage extending further than 10 feet in front of the porch or remainder of the house from 40% to 35%.

Councilmember Castillo spoke against the development because he is voting to accommodate the wishes of the majority of the existing neighborhood.

Councilmember Michelson spoke in favor of the development because new homes are needed in Lockhart.

Councilmember Westmoreland stated that he believes that affordable housing is needed in Lockhart.

Mayor White made a motion to approve Ordinance 2018-18, as presented and as recommended by the Planning and Zoning Commission to limit the percentage of houses with the garage extending further than 10 feet in front of the porch or the remainder of the house to 35%. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-1, with Councilmember Castillo opposing.

ITEM 5. CONSENT AGENDA.

Councilmember Michelson made a motion to approve consent agenda items 5A, 5B, 5C, 5D, and 5E. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:

- 5A: Approve minutes of the City Council meetings of July 12, 2018, July 14, 2018, July 17, 2018, July 26, 2018 and July 31, 2018.
- 5B: Accept semi-annual report from the Impact Fee Advisory Committee concerning the status of implementation of Chapter 31 "Impact Fees" of the Lockhart Code of Ordinances with regard to water, wastewater, and road impact fees.
- 5C: Approve Interlocal Agreement with Capital Area Emergency Communications District for good and services associated with the delivery of 911 service or the Public Safety Answering Point (PSAP) for the City of Lockhart at a cost not to exceed \$1,000 and appointing the Mayor to sign the agreement.
- 5D: Approve awarding electrical primary tree trimming services bid in the amount of \$40,800.00 to The Arbor Experts of Webster, Texas, and appointing the Mayor to sign all related documents.

5E: Approve ratifying the lease negotiated with Lockhart Livestock Auction, LLC, containing the terms previously approved by the City Council.

ITEM 6-A. DISCUSSION AND/OR ACTION TO CONSIDER ACCEPTING THE CITY OF LOCKHART'S 2018 CERTIFIED PROPERTY TAX ROLL.

Mayor Pro-Tem Sanchez made a motion to accept the City of Lockhart's 2018 Certified Property Tax Roll, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION AFTER PRESENTATION BY CITY MANAGER REGARDING PROPOSED FISCAL YEAR 2018-2019 LOCKHART/CALDWELL COUNTY EMERGENCY MEDICAL SERVICES BUDGET.

Mayor Pro-Tem Sanchez made a motion to accept the Fiscal Year 2018-2019 Lockhart/Caldwell County Emergency Medical Services budget, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION AFTER PRESENTATION BY CITY MANAGER REGARDING LOCKHART POLICE DEPARTMENT OFFICER WAGES AND RECOMMENDED CONSIDERATIONS.

There was discussion.

Councilmember Michelson made a motion to increase the Lockhart Police Department Officer wages by 10%. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND/OR ACTION REGARDING APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS OR COMMITTEES.

Mayor White requested appointments to boards and commissions.

Councilmember Castillo made a motion to appoint Umesh Patel to the Lockhart Economic Development Corporation. Councilmember Mendoza seconded. There was discussion. The motion passed by a vote of 5-2, with Mayor White and Councilmember Michelson opposing.

ITEM 6-E. DISCUSSION AND/OR ACTION REGARDING THE PROPOSED FISCAL YEAR 2018-2019 GENERAL FUND, ENTERPRISE FUND, DEBT FUND BUDGETS, AND PROPOSED FUNDING SOURCES AND, DISCUSSION AND/OR ACTION REGARDING THE BUDGET AND TAX RATE ADOPTION CALENDAR, IF NECESSARY. (REMINDER: DATE TO SET TAX RATE IS AUGUST 21, 2018 AND PUBLIC HEARING ON BUDGET AND TAX RATE IS SEPTEMBER 4, 2018 AND IF NECESSARY, SEPTEMBER 18, 2018 REGARDING THE TAX RATE.)

Councilmember McGregor made a motion to table the discussion regarding the property at 728 South Main Street to allow the ad-hoc committee additional time to make a recommendation to the Council regarding the use of the property. Councilmember Castillo seconded. Mr. Rodgers stated that the ad-hoc committee would meet next week to discuss recommendations to present to the Council.

ITEM 7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE DISCUSSION.

- Update: Contractor has finished paving activities on San Jacinto, Mockingbird, Prairie Lea East of US 183, and Cibilo Street from SH 142 and Brazos.
- Update: Water Dept. has completed replacement of water main in alley between San Antonio and Market; paving of the utility cuts will be completed within the next 10 days after base material has cured.
- Update: The contractor has started the new 18" water main on West Martin Luther King Jr. Industrial Blvd. that will connect to the large main on State Park Road at Patton.
- Update: As part of the Water Plant Improvements approved by Council, the work on the aerator towers has been completed and the contractor, Travis Industries of San Antonio, did a very good job.
- Update: Specifications are complete, and bids will be taken soon for the rehabilitation of water well # 9.
- Update: Good news! The Texas Water Development Board approved financing for the new water infrastructure and water line which will provide incremental financing.
- Update: Good news. The annual land lease for new water will be reduced from \$200 to \$80 per acre-foot of water initially but will increase as water is delivered.
- Update: After upgrading the internet, we now have a new program at the animal shelter that will automatically upload available animals to Pet Finder, Adopt A Pet, and other popular sites to increase visibility and hopefully more adoptions.
- Update: Staff working on Texas Swing Festival with event representatives to be held September 28 and 29.
- Update: Staff has met with Evening with Authors representatives to plan this year's event at a new location.
- Report: Staff is working with Greater Caldwell County Hispanic Chamber in preparation of Diez y Seis event in September.
- Reminder: There was a special dedication ceremony of the Corporal Jason K. LaFleur Sports Complex on Saturday, August 4, at 7:30 pm.
- Reminder: City employee summer appreciation party on Friday, August 10, 6 pm – 9 pm at City Park.
- Report: National Night Out event.
- Report: Personnel Changes.

ITEM 8. COUNCIL AND STAFF COMMENTS – ITEMS OF COMMUNITY INTEREST.

Councilmember Westmoreland thanked all for their work and asked everyone to be careful when school begins next week.

Councilmember Mendoza thanked all that attended the Corporal Jason K. LaFleur Sports Complex dedication. He thanked Mr. Kelley and staff for assuring that the sports complex was clean for the dedication ceremony and he thanked all that attended National Night Out block parties.

Mayor Pro-Tem Sanchez expressed condolences to the families of Jesus Celestino Gonzales and Mercedes Sanchez for their loss and to Patty White for the loss of her mother. She expressed best wishes to Mark Estrada, LISD Superintendent, and all LISD staff in the new school year.

Councilmember McGregor expressed condolences to Patty White for the loss of her mother. She thanked Jeff Hinson for his commitment to Council and staff during his tenure with the City.

Councilmember Castillo expressed condolences to Mayor White and his family for the loss of his mother-in-law. He thanked the Lockhart Police Department for their commitment to public safety. He thanked Jeff Hinson for his commitment to the city during his tenure and he thanked Councilmember Mendoza for assisting with the dedication at the sports complex.

Councilmember Michelson expressed condolences to Patty and Mayor White for their loss. He also thanked the Lockhart Police Department for their service to the community. He asked everyone to be safe during the new school year.

Mayor White thanked staff for their work on the budget. He thanked Jeff Hinson for his commitment during his tenure and wished him well in his future endeavors. He congratulated all involved with the sports complex dedication. City Manager interviews will be held on August 18 and 19, 2018. He thanked all that hosted and attended National Night Out block parties.

Councilmember Castillo reminded everyone to attend the Movie in the Park this Saturday, August 11.

ITEM 9. ADJOURNMENT.

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 10:00 p.m.

PASSED and APPROVED this the 21st day of August 2018.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Connie Constancio, TRMC
City Secretary

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Work Session Item # _____

Reg. Mtg. Item # _____

CITY OF LOCKHART COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: August 21, 2018			
Department: Police Department		Initials	Date
Department Head: Ernest Pedraza	Asst. City Manager	<i>EP</i>	8-16-18
Dept. Signature: <i>Ernest Pedraza</i>	City Manager		
Agenda Item Coordinator/Contact (include phone #): Ernest Pedraza			

ACTION REQUESTED: **ORDINANCE** RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

CAPTION

DISCUSSION AND/OR ACTION TO CONSIDER APPROVAL OF ORDINANCE 2018-19 OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS REPEALING UN-CODIFIED ORDINANCE 2018-02 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING ESTABLISHING THE CLASSIFICATIONS WITHIN THE POLICE DEPARTMENT AND AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; ESTABLISHING THAT THE POSITION IMMEDIATELY BELOW THE POLICE CHIEF WILL BE APPOINTED; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

XNA GRANT FUNDS OPERATING EXPENSE REVENUE CIP BUDGETED NON-BUDGETED

FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00

FUND(S):

SUMMARY OF ITEM

Under Civil Service 143.014 of the Texas Local Government Code and with the approval by the governing body of the municipality by resolution or ordinance, the head of the police department may appoint each person occupying an authorized position in the classification immediately below that of department head.

A person appointed under this section serves at the pleasure of the department head. A person who is removed from the position by the department head shall be reinstated in the department and placed in the same classification, or its equivalent, that the person held before appointment. The person retains all rights of seniority in the department.

The Chief of Police should be able to pick the management team of the police department. The Chief of Police needs the flexibility to put in place the leadership team that he thinks can do the best job. The Chief of Police should have the ability to appoint the person who he has faith and confidence to internalizes the vision of the Chief of Police and the Lockhart Community.

STAFF RECOMMENDATION

The Police Chief, Civil Service Director, and City Manager respectfully recommend approval of Ordinance 2018-19. *bb*

List of Supporting Documents: Ordinance 2018-02, proposed Ordinance 2018-19	Other Departments, Boards, Commissions or Agencies:
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ORDINANCE NO. 2018-19

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS REPEALING UN-CODIFIED ORDINANCE 2018-02 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING ESTABLISHING THE CLASSIFICATIONS WITHIN THE POLICE DEPARTMENT AND AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; ESTABLISHING THAT THE POSITION IMMEDIATELY BELOW THE POLICE CHIEF WILL BE APPOINTED; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Lockhart has adopted Civil Service, Chapter 143 of the Texas Local Government Code for its Fire and Police Department employees; and

WHEREAS, pursuant to Chapter 143, the City Council shall establish the classifications of employees and prescribe the number of positions in each classification pursuant to Section 143.021(a) of the Texas Local Government Code; and

WHEREAS, the Police Chief has determined that it is in the best interest of the operation of the Police Department to have the position immediately below him, Police Captain, selected by him pursuant to Section 143.014 of the Texas Local Government Code; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT

I. The classifications and number of positions in each classification in the Police Department shall now be as follows:

Effective October 1, 2015 (per Ordinance 2015-25)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 19

Effective October 1, 2017 (per Ordinance 2017-38)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 20

Effective March 20, 2018 (per Ordinance 2018-02)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 21

Note: Position of Police Captain will be appointed in accordance with §143.014 of the Texas Local Government Code

II. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

III. Repealer: That all other ordinances, section, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

IV. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

V. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. Effective Date: This ordinance shall become effective and be in full force on **August 21, 2018**.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 21ST DAY OF AUGUST, 2018.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC, City Secretary

Peter Gruning, City Attorney

CURRENT

ORDINANCE NO. 2018-02

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS ESTABLISHING THE CLASSIFICATIONS WITHIN THE POLICE DEPARTMENT AND AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Lockhart has adopted Civil Service, Chapter 143 of the Texas Local Government Code for its Fire and Police Department employees; and

WHEREAS, pursuant to Chapter 143, the City Council shall establish the classifications of employees and prescribe the number of positions in each classification pursuant to Section 143.021(a) of the Texas Local Government Code; and

WHEREAS, due to a need to provide additional municipal court security and warranty processing, the City Council recognizes the need to increase the number of police officers in the Lockhart Police Department; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT

I. The classifications and number of positions in each classification in the Police Department shall now be as follows:

Effective October 1, 2015 (per Ordinance 2015-25)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 19

Effective October 1, 2017 (per Ordinance 2017-38)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 20

Effective March 20, 2018

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 21

CURRENT

II. **Severability:** If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

III. **Repealer:** That all other ordinances, section, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

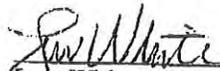
IV. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

V. **Publication:** That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. **Effective Date:** This ordinance shall become effective and be in full force on March 20, 2018.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 20th DAY OF MARCH, 2018.

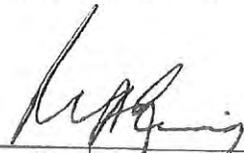
CITY OF LOCKHART

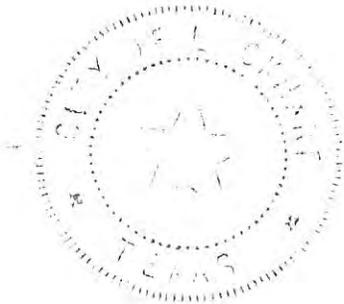

Lew White, Mayor

ATTEST:


Connie Constancio, TRMC, City Secretary

APPROVED AS TO FORM:


Peter Gruning, City Attorney



Texas Local Government Code Chapter 143.014

Sec. 143.014. APPOINTMENT AND REMOVAL OF PERSON CLASSIFIED IMMEDIATELY BELOW DEPARTMENT HEAD. (a) This section does not apply to a municipality with a population of 1.5 million or more.

(b) If approved by the governing body of the municipality by resolution or ordinance, the head of a fire or police department in the municipality in which at least four classifications exist below the classification of department head may appoint each person occupying an authorized position in the classification immediately below that of department head, as prescribed by this section. The classification immediately below that of department head may include a person who has a different title but has the same pay grade.

(c) In a police department, the total number of persons appointed to the classification immediately below that of department head may not exceed the total number of persons, plus one, serving in that classification on January 1, 1983. In a fire department in a municipality having fewer than 300 certified fire fighters, the department head may appoint not more than one person to the classification immediately below that of department head. If a municipality has 300 to 600 certified fire fighters, the department head may appoint two persons to the classification. If a municipality has more than 600 certified fire fighters, the department head may appoint three persons to the classification. This subsection does not apply to a municipality that has adopted The Fire and Police Employee Relations Act (Article 5154c-1, Vernon's Texas Civil Statutes) unless the municipality specifically adopts the appointment procedure prescribed by this subsection through the collective bargaining process.

(d) A person appointed to a position in the classification immediately below that of the head of the police department must:

- (1) be employed by the municipality's police department as a sworn police officer;
- (2) have at least two years' continuous service in that department as a sworn police officer; and
- (3) meet the requirements for appointment as head of a police department prescribed by Section 143.013(b).

(e) A person appointed to a position in the classification immediately below that of the head of the fire department must:

- (1) be employed by the municipality's fire department;
- (2) have a permanent classification in at least an officer level; and
- (3) meet the requirements for appointment as head of a fire department prescribed by Section 143.013(b).

(f) The department head shall make each appointment under this section within 90 days after the date a vacancy occurs in the position.

(g) A person appointed under this section serves at the pleasure of the department head. A person who is removed from the position by the department head shall be reinstated in

the department and placed in the same classification, or its equivalent, that the person held before appointment. The person retains all rights of seniority in the department.

(h) If a person appointed under this section is charged with an offense in violation of civil service rules and indefinitely suspended by the department head, the person has the same rights and privileges of a hearing before the commission in the same manner and under the same conditions as a classified employee. If the commission, a hearing examiner, or a court of competent jurisdiction finds the charges to be untrue or unfounded, the person shall immediately be restored to the same classification, or its equivalent, that the person held before appointment. The person has all the rights and privileges of the prior position according to seniority, and shall be repaid for any lost wages.

(i) A person serving under permanent appointment in a position in the classification immediately below that of the department head on September 1, 1983, is not required to meet the requirements of this section or to be appointed or reappointed as a condition of tenure or continued employment.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.



Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: August 21, 2018			
Department: Library		Initials	Date
Department Head: Bertha Martinez	Asst. City Manager	A	8-14-18
Dept. Signature: <i>Bertha Martinez</i>	City Manager		
Agenda Item Coordinator/Contact (include phone #): Vance Rodgers			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input checked="" type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER			
CAPTION			
Discussion and/or action to consider approval of a proposal by Texas regional Protective Services to provide unarmed, uniformed, state licensed security officer services at the City of Lockhart Dr. Eugene Clark Library at a cost of \$17.00 per hour and authorizing the City Manager to finalize the contract with review by the City Attorney and for the Mayor to sign the contract for the services.			
FINANCIAL SUMMARY			
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input checked="" type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED			
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS
Budget			\$0.00
Budget Amendment Amount			\$0.00
Encumbered/Expended Amount			\$0.00
This Item			\$0.00
BALANCE	\$0.00	\$0.00	\$0.00
FUND(S):			
SUMMARY OF ITEM			
<p>With the completion of the Library renovations, staff has been faced with the challenge of monitoring a multi-level library facility. Over the years, situations have escalated in the library to the point that staff needs additional eyes monitoring the facility to ensure a safe and secure environment for patrons including children, teenagers, and adults. Security Services at the Library have been in place since March 2017. When LISD is in session, the security guard is present in the library in the afternoons and all day on Saturdays. On days that LISD is not in session, for example Spring and Summer Break, the guard is present for a majority of the hours that the library is opened. Security services at the library have been provided by Pro Gate Security LLC since March 2017. Pro Gate has elected to end the service as of August 2018. 4J Security Services has agreed to provide temporary services at the library to fill the gap between the Pro Gate Security contract ending and the selection of a new provider.</p> <p>Request for proposals were sought in compliance with state law. 4 proposals were received. Texas Regional Protective Services was the lowest proposal and is a local company. Reference checks have been performed and show a history of satisfied customers. The company will provide general liability and workers' compensation insurance naming the City as an additional insured. The contract allows for termination if services are not satisfactory to City.</p>			
STAFF RECOMMENDATION			
Staff recommends approval of the proposal as presented by Texas Regional Protective Services to provide unarmed, uniformed, state licensed security officer services at the City of Lockhart Dr. Eugene Clark Library at a cost of \$17.00 per hour and authorizing the Mayor to sign a finalized contract for the services.			
List of Supporting Documents: Advertisement, Proposal Information, Cost Information		Other Departments, Boards, Commissions or Agencies:	

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REQUEST FOR PROPOSALS

The City of Lockhart, Texas seeks proposals until 11am, August 9, 2018, from qualified licensed professional firms to perform unarmed, uniformed, state licensed security officer services at the City of Lockhart Dr. Eugene Clark Library, 217 S. Main, Lockhart, Texas.

Interested qualified service providers that specialize in this type of service may request a scope of services by contacting Julie Bowermon at (512) 398-3461 during normal business hours or online at www.lockhart-tx.org. Proposals marked externally "Security Services" may be mailed to City of Lockhart P.O. Box 239, Lockhart, Tx 78644 or delivered to 308 W. San Antonio Street. Proposals not received by the specified date and time will be rejected. Proposals must provide at least 5 current references. The City of Lockhart reserves the right to reject any or all proposals. Successful company must provide insurance coverage certificates for workers' comp and general liability naming City of Lockhart as additional insured.

BID OPENING

DATE: August 9 2018 TIME: 11:00am PLACE: Lockhart City Hall

PROJECT: Unarmed, uniformed, State licensed Security Officer Services

Company Name	Company Address	Company Phone & Fax	Date Plans/ Bid Packet Picked Up	Date & Time turned in	Dollar Amount Bided	Check or M.O. #	Signature *For Deposit Refund	Date Plans Returned (Deposit Refunded)*
Vets Securing America	1125 W. 190th St. Los Angeles, CA 90248	Ph: 800-441-1808 Fx:	Aug. 8 2018 9:37					
Ryujee Lee Brumley INTERNATIONAL SECURITY AGENCY	118 E. 14th St. San Juan, Tx. 78589 PHARR TX	Ph: (555) 555-5555 Fx: (956) 609-2101	Aug. 8 2018 9:37					
4J Security Services	P.O. Box 536 Graham, Tx. 76450	Ph: (940) 456-1183 Fx:	Aug 8 2018 10:10am					
TEXAS REGIONAL PROTECTIVE SERVICES	1055 SPOCKE HOLLOW RD LOCKHART, TX	Ph: (727) 587-7445 Fx: (817) 909-1400	Aug. 8 2018 4:03 pm					
		Ph:						
		Fx:						
		Ph:						
		Fx:						
		Ph:						
		Fx:						

Bid Opening Results - August 9, 2018

Project: Security Officer Services for City of Lockhart Dr. Eugene Clark Library

Company	Address	Number	Contact	Per Hour	Overtime /Holiday	Workers' Comp/General Liability proof provided	DPS License
Vets Securing America	1125 W. 190th Street, Los Angeles, CA 90248	800-441-1808	Gerald Gregory	\$17.44	\$24.42	Yes	Yes C15768
International Security Agency	5405 N Winona Dr, Pharr, TX	956-609-2105	Jerry Brumley	\$19.00		Yes	Yes C15914
4J Security Services	PO Box 536, Graham, TX 76450	940-456-1183	Jeremy Louder	\$17.90		Yes	
Texas Regional Protective Services	1055 Spoke Hollow Rd, Lockhart, TX 78644	512-587-8945 512-909-1400	William Ward	\$17.00		Yes	Yes C12197

Julie Bowman
8/14/18

TEXAS REGIONAL PROTECTIVE SERVICES INC.

License #C12197

For All Your Professional Security Needs

1055 Spoke Hollow Rd.

Lockhart, TX 78644

www.texasregional.net

512.909.1400 Office

Estimate for days LISD is In Session:

Hours/Week:	26.5
Hourly Rate:	\$17.00
Subtotal:	\$450.50
Tax:	\$38.29
Weekly Total:	\$488.79

Estimate for days LISD is NOT In Session:

Hours/Week:	42.5
Hourly Rate:	\$17.00
Subtotal:	\$722.50
Tax:	\$61.41
Weekly Total:	\$783.91

See the attached insurance certificate.

References:

Wayne Fenlon, RCI Management, wayne@ricks.com, 512-252-7079

Wendy Rodriquez, Rodeo Night Club, wendrdz@yahoo.com, (512)834-2640

Justin Northcutt, Texas Card House, justin@texascardhouse.com, 512-417-1881

Aby Salem, OK Corral Nightclub, 512-626-8282

Jason Saljar, Club Carnaval, 512-784-6777

8.13.18 @ 3:16 pm SPK up WILLIAM WARD
HE'LL CHECK IF NUMBERS ARE
GOOD FOR CONTACT. HE USUALLY
CONTACTS THEM BY EMAIL,
NUMBERS MAY BE OLD.

Amh
8.13.18

*THIS ESTAMATE IS VALID FOR ONLY 30 DAYS FROM TODAY: _____

Julie Bowermon

From: Bill Ward <wward@texasregional.net>
Sent: Monday, August 13, 2018 4:47 PM
To: Julie Bowermon; William Ward II - TRPS
Subject: References for Texas Regional Protective Services

Hi Julie,

Here is the updated reference list.

I spoke with Justin Northcutt and he is expecting your call.

Please keep in mind that many of them work at night and may not be available until later in the afternoon.

Wayne Fenlon, RCI Management, wayne@ricks.com, 1-832-594-7661

Wendy Rodriquez, Rodeo Night Club, wendrdz@yahoo.com, (512) 554-5125

Justin Northcutt, Texas Card House, justin@texascardhouse.com, 512-417-1881

Aby Salem, OK Corral Nightclub, 512-589-2199

Jason Saljar, Club Carnaval, 512-784-6777

Please don't hesitate to contact me with any concerns or questions.

Regards,

William Ward
Owner/Partner
Texas Regional Protective Services
License# C-12197
wward@texasregional.net
512-587-8945

Reference Checks: Texas Regional Protective Services

- **Wayne Fenlon, RCI Management, ~~(512) 252-7079~~ (832) 594-7661**
 - 8/13/18 @ 1:07, no answer no voice mail.
 - 8/13/18 @ 4:59pm, left a voice message.
 - 8/14/18 @ 3:30pm, left a voice message.
- **Wendy Rodriquez, Rodeo Night Club, ~~(512) 834-2640~~ (512) 554-5125**
 - 8/13/18 @ 1:13pm, got a message number is out of service.
 - 8/13/18 @ 5:00pm, spoke with Ms. Rodriquez, confirmed TRPS has worked for Rodeo Night Club for over 10 years and has been satisfied, they are great people.
- **Justin Northcutt, Texas Card House, (512) 417-1881**
 - 8/13/18 @ 1:15pm, left a voice message.
 - 8/13/18 @ 4:57pm, left a voice message.
 - 8/14/18 @ 3:39pm, spoke with Mr. Northcutt, confirmed TRPS has worked for him for about a year and has been satisfied. They are earnest and transparent. They offer suggestions of ways to improve security and work with staff. They have a mixture of security guards and off-duty police officers.
- **Aby Salem, OK Corral Night Club, ~~(512) 626-8282~~ (512) 589-2199**
 - 8/13/18 @ 1:17pm, left a voice message.
 - 8/13/18 @ 5:04pm, left a voice message.
 - 8/14/18 @ 3:44pm, spoke with Mr. Salem, confirmed TRPS has worked for him for 12 – 15 years and has been satisfied. Very calm and good customer service, treats the customers well, very professional, never late. Has worked with several security companies over the years and TRPS is the best, that's why they've used them so long.
- **Jason Saljar, Club Carnaval, (512) 784-6777**
 - 8/13/18 @ 1:19pm spoke with Mr. Saljar, confirmed TRPS works for him. He has used TRPS for 7-8 years and has been satisfied. Any time he has had any kind of problem with a TRPS staff member, management has immediately fixed the situation.

Reference checks completed by: Julie Bowermon

Julie Bowermon
8.14.18

SCOPE OF SERVICES

Unarmed, uniformed security guard at Lockhart Library, 217 S. Main, Lockhart

Officer stationed in a highly visible location within the perimeter of Library

Officer reviews security camera surveillance, and performs periodic foot patrols of the facility to promote safety, detect suspicious and abnormal activity, corrects unruly behavior, and takes action as appropriate working with Library Director, staff, and Lockhart Police

MWF 2pm-6:30pm on days Lockhart ISD is in session

MWF 10am-6:30pm on days Lockhart ISD NOT in session

TH 2pm-8:30pm on days Lockhart ISD is in session

TH 10am-8:30pm on days Lockhart ISD is NOT in session

Sat 9am-3:30pm

Sun - Closed, no guard

Estimated work hours:

September 2018

	Mon	Tues	Wed	Thurs	Fri	Sat	
9/1/18						6.5	
9/3-9/8	0	6.5	4.5	6.5	4.5	6.5	
9/10-9/15	4.5	6.5	4.5	6.5	4.5	6.5	
9/17-9/22	4.5	6.5	4.5	6.5	4.5	6.5	138
9/24-9/29	4.5	6.5	4.5	6.5	8.5	6.5	

October 2018

	Mon	Tues	Wed	Thurs	Fri	Sat	
10/1-10/6	4.5	6.5	4.5	6.5	4.5	6.5	
10/8-10/13	4.5	6.5	4.5	6.5	4.5	6.5	
10/15-10/20	8.5	6.5	4.5	6.5	4.5	6.5	151.5
10/22-10/27	4.5	6.5	4.5	6.5	4.5	6.5	
10/29-10/31	4.5	6.5	4.5				

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November 2018

	Mon	Tues	Wed	Thurs	Fri	Sat	
11/1-11/3				6.5	4.5	6.5	
11/5-11/10	4.5	6.5	4.5	6.5	4.5	6.5	
11/12-11/17	0	6.5	4.5	6.5	4.5	6.5	139.5
11/19-11/24	8.5	10.5	8.5	0	0	6.5	
11/26-11/30	4.5	6.5	4.5	6.5	4.5		

December 2018

	Mon	Tues	Wed	Thurs	Fri	Sat	
12/1						6.5	
12/3-12/8	4.5	6.5	4.5	6.5	4.5	6.5	
12/10-12/15	4.5	6.5	4.5	6.5	4.5	6.5	156
12/17-12/22	4.5	6.5	4.5	10.5	8.5	6.5	
12/24-12/29	0	0	8.5	10.5	8.5	6.5	
12/31	8.5						

January 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
1/1-1/5	0	10.5	8.5	10.5	8.5	6.5	
1/7-1/12	8.5	6.5	4.5	6.5	4.5	6.5	
1/14-1/19	4.5	6.5	4.5	6.5	4.5	6.5	165
1/21-1/26	0	6.5	4.5	6.5	4.5	6.5	
1/28-1/31	4.5	6.5	4.5	6.5			

February 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
2/1-2/2					4.5	6.5	
2/4-2/9	4.5	6.5	4.5	6.5	4.5	6.5	
2/11-2/16	4.5	6.5	4.5	6.5	8.5	6.5	131.5
2/18-2/23	0	6.5	4.5	6.5	4.5	6.5	
2/25-2/28	4.5	6.5	4.5	6.5			

March 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
3/1-3/2					4.5	6.5	
3/4-3/9	4.5	6.5	4.5	6.5	4.5	6.5	
3/11-3/16	4.5	6.5	4.5	6.5	4.5	6.5	163
3/18-3/23	8.5	10.5	8.5	10.5	8.5	6.5	
3/25-3/30	4.5	6.5	4.5	6.5	4.5	6.5	

April 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
4/1-4/6	4.5	6.5	4.5	6.5	4.5	6.5	
4/8-4/13	4.5	6.5	4.5	6.5	4.5	6.5	
4/15-4/20	4.5	6.5	4.5	6.5	0	6.5	138.5
4/22-4/27	4.5	6.5	4.5	6.5	4.5	6.5	
4/29-4/30	4.5	6.5					

May 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
5/1-5/4			4.5	6.5	4.5	6.5	
5/6-5/11	4.5	6.5	4.5	6.5	4.5	6.5	
5/13-5/18	4.5	6.5	4.5	6.5	4.5	6.5	163
5/20-5/25	4.5	6.5	4.5	6.5	8.5	6.5	
5/27-5/31	0	10.5	8.5	10.5	8.5		

June 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
6/1						6.5	
6/3-6/8	8.5	10.5	8.5	10.5	8.5	6.5	
6/10-6/15	8.5	10.5	8.5	10.5	8.5	6.5	218.5
6/17-6/22	8.5	10.5	8.5	10.5	8.5	6.5	
6/24-6/29	8.5	10.5	8.5	10.5	8.5	6.5	

July 2019

	Mon	Tues	Wed	Thurs	Fri	Sat	
7/1-7/6	8.5	10.5	8.5	0	8.5	6.5	
7/8-7/13	8.5	10.5	8.5	10.5	8.5	6.5	
7/15-7/20	8.5	10.5	8.5	10.5	8.5	6.5	229
7/22-7/27	8.5	10.5	8.5	10.5	8.5	6.5	
7/29-7/31	8.5	10.5	8.5				

August 2019

Estimated - LISD calendar not yet adopted

	Mon	Tues	Wed	Thurs	Fri	Sat	
8/1-8/3				10.5	8.5	6.5	
8/5-8/10	8.5	10.5	8.5	10.5	8.5	6.5	
8/12-8/17	8.5	10.5	8.5	10.5	8.5	6.5	197.5
8/19-8/24	4.5	6.5	4.5	6.5	4.5	6.5	
8/26-8/31	4.5	6.5	4.5	6.5	4.5	6.5	

September 2019 Estimated - LISD calendar not yet adopted

	Mon	Tues	Wed	Thurs	Fri	Sat	
9/2-9/7	0	6.5	4.5	6.5	4.5	6.5	
9/9-9/14	4.5	6.5	4.5	6.5	4.5	6.5	
9/16-9/21	4.5	6.5	4.5	6.5	4.5	6.5	132
9/23-9/28	4.5	6.5	4.5	6.5	4.5	6.5	
9/30	4.5						

FY 18-19 EST TOTAL 2123

STATE OF TEXAS)
)
COUNTY OF CALDWELL) CITY OF LOCKHART

SECURITY GUARD SERVICES AGREEMENT

This agreement will begin on _____, 2018, by and between the City of Lockhart, Texas (the City) and **Texas Regional Protective Services** (the Contractor), licensed by the Texas Department of Public Safety pursuant to Texas Occupations Code, Secs. 1702 et. seq., to provide security services for the City's Dr. Eugene Clark Library (the Library), 217 South Main Street, Lockhart, Texas, including library buildings, surrounding library grounds, and adjacent parking areas. References to the LISD refer to the Lockhart Independent School District.

1. Contractor Services: The Contractor will perform the following services for the City at the Library:

1.1 The Contractor will provide unarmed, uniformed, state licensed security guards according to the following schedule:

MWF: 2 p.m. – 6:30 p.m. on days when the LISD is in session.

MWF: 10 a.m. – 6:30 p.m. on days when the LISD is not in session.

TH: 2 p.m. – 8:30 p.m. on days when the LISD is in session.

TH: 10 a.m. – 8:30 p.m. on days when the LISD is not in session.

SAT: 9 a.m. – 3:30 p.m.

SUN: No security guard—Library is closed.

The above schedule may be amended upon mutual agreement between the City and the Contractor.

The City will provide the Contractor with the LISD session schedules as they are made available by the LISD. If the Contractor is unsure if the LISD is in or not in session on a particular date, the Contractor will contact the LISD and the Library to determine the hours when security services are to be provided.

1.2 The Contractor will:

(a) Abide by the Texas Department of Public Safety licensing requirements.

(b) Follow the City's and the Library's rules, guidelines, and procedures, where these are provided.

- (c) Periodically conduct checks of adjacent parking areas and library grounds, as well as of locations within library buildings.
- (d) Respond to calls for assistance by City staff, Library staff and the public, and provide assistance if incidents occur in the Library, surrounding grounds, and adjacent parking areas.
- (e) Conduct physical searches of property (e.g.: bags, purses, coats, backpacks, briefcases, etc.) as necessary in order to maintain the safety of library staff, the public, and the security guard.
- (f) Carry portable radios supplied by the City to keep in communication with Library staff, and immediately report any malfunctioning radio.
- (g) Maintain a log of incidents, immediately report **incidents involving assaultive behavior or other criminal activity** to Library staff and/or the **Lockhart Police Department**, and provide copies of incident reports to the Library and/or the **City**.
- (h) Maintain order in the Library buildings, **surrounding library grounds, and adjacent parking areas, and secure and protect Library property.**
- (i) Notify the Library staff of **any hazards or unsafe conditions.**
- (j) Perform other reasonable security **guard duties that are requested** by the Library.

1.3 The Contractor is **responsible for the direct supervision** of all security guard personnel.

1.4 The Contractor warrants **that the Contractor is certified, approved and/or licensed** by all Federal, State and/or local **agencies or departments that have jurisdiction** to regulate all activity performed by the Contractor. Contractor **will abide by all rules, guidelines and procedures** set forth by such agencies or departments. Proof of such **certification, approval or licensure** will be provided to the City within five (5) days of **execution of this agreement**. The Contractor warrants he/she will maintain and renew the certification, **approval and/or licensure, and will immediately contact the City and the Library** if the Contractor is no **longer certified, approved and/or licensed**. Loss or termination of such certification, approval and/or licensure will **immediately terminate this agreement**.

1.5 The Contractor will not **assign any employee/agent** to the Library who has been convicted of any felony or has been convicted of a misdemeanor involving moral turpitude. The Contractor will ensure, to the extent allowed by law, that the Contractor has conducted criminal background checks on all employees/agents assigned to the Library, and that nothing revealed by the background checks creates a reasonable doubt about the use of the employees/agents as security guards at the Library. The Contractor acknowledges that young children and adolescents frequent the Library and must have a safe environment.

1.6 The Contractor will be fully responsible for payment of any and all taxes and insurance, including, but not limited to income taxes and payroll taxes (such as FICA and Unemployment Insurance, etc.) and will make such statutory filings as may be required by law.

1.7 The Contractor will ensure that each of its security guards will become familiar with the Library and Library personnel on or before the first day that a security guard begins security services at the Library.

1.8 The Contractor will obtain Workers' Compensation insurance coverage for its employees, and have a liability insurance policy listing the City as a named insured, with coverage in the amounts of \$50,000 for property damage, and \$500,000 per person/ \$1,000,000 per occurrence for personal injury, including death. Proof of such coverage is required prior to commencing any work hereunder.

1.9 Security guards will wear a uniform provided by the Contractor. Uniforms will have a professional appearance and be worn clean and wrinkle-free. Uniforms will **display** proper security identification such as security logo and/badge or name tag, and must be approved **by the** Texas Security Bureau.

1.10 The Contractor will provide the Library with a list of names of personnel assigned to the Library. If there is a change in staffing and new personnel are assigned, the Contractor will notify the Library and provide the names of the new employees prior to **starting** their assignments.

1.11 The City and the Library reserve the right, at either's sole **discretion** and for any reasonable ground, to require the Contractor to remove any **security guard** and **provide** a suitable replacement.

2. Compensation and Invoices: The City will pay the Contractor **\$17.00** per hour, per security guard, for security guard services at the Library. The Contractor will submit claims or invoices, bearing Contractor's letterhead, no later than **five (5) days** from the **last day of the month** for which payment is requested. The invoice will provide the **number of hours worked per day, per security officer**, and will be signed and dated by authorized personnel. The Contractor will **maintain** an on-site time sheet with a copy of such accompanying each invoice.

3. Records:

3.1 The Contractor will **maintain and make available** for inspection, audit or reproduction, by an authorized representative of City, documents and other **evidence** pertaining to the cost and expenses for this agreement (the Records).

3.2 The Contractor will **maintain financial** and supporting documents, statistical records and any other records pertinent to the **services for** which a claim or expense report has been submitted. The records and documents must be kept for a **minimum** of three years after the end of the contract period. If any litigation, claim or audit involving these records commences before the three year period expires, the Contractor must keep records and documents for not less than three years or until all litigation, claims or audit findings are resolved.

4. Payment by the City: Each invoice submitted by the Contractor per paragraph 2 of this agreement will be paid within 30 days of receipt by the City. If a conflict arises regarding a billing amount, the City will pay all uncontested amounts and will give written notice of the conflict to the Contractor within three

business days of the City's discover of the conflict. The parties will work in good faith to resolve a conflict about a billing amount.

5. Term, Termination and Notice:

5.1 Term: This agreement will be effective on the date noted above and will continue through **September 30, 2019**. This agreement may be renewed for one year periods, at the **\$17.00** hourly fee charge, upon mutual written agreement of the parties prior to the expiration of the initial or any subsequent term, if funding is appropriated within the budget by the City Council for the service to continue.

5.2 Termination: Either party may terminate this agreement giving **thirty (30) days** written notice to the other party. The City may immediately terminate this agreement without notice in the event that the Contractor materially breaches a provision of this agreement. **Contractor** will cease to incur costs associated with this agreement upon termination or receipt of **written notice to terminate**, whichever occurs first.

5.3 Notice: Notices required by this agreement, or **by state or federal law**, will **be mailed** by certified mail, return receipt, or by facsimile, to:

For the City and the Library:

City Manager
City of Lockhart
308 West San Antonio Street
Lockhart, Texas 78644
Facsimile: 512-398-5103

Director of Library Services
Dr. Eugene Clark Library
217 South Main Street
Lockhart, Texas 78644
Facsimile: 512-398-8316

For the Contractor:

Mr. William Ward
Texas Regional Protective Services
1055 Spoke Hollow Road
Lockhart, Texas 78644
Facsimile: 512-_____

6. Independent Contractor: Nothing contained herein will be construed as creating the relationship of employer and employee between the City/Library and the Contractor. The Contractor will be deemed at all times to be an independent contractor.

7. Assignment: The Contractor will not sell, assign, transfer or convey this agreement. in whole or in part, without the prior written consent of City.

8. Venue: This agreement will be governed and construed according to the laws of the state of Texas. This agreement is performable in the City of Lockhart, Texas.

9. Indemnification: The Contractor will defend, indemnify and hold harmless City, the Library, and their officers, agents, employees and servants from all claims or causes of action of any kind for injury or damage of any kind to any person or property brought by or on behalf of any person due to or related to the negligence or intentional act or omission of the Contractor, its agents, employees, or servants. The Contractor will pay any and all damages assessed against the City and/or the Library, its officers, agents employees, and servants arising out of such negligence or intentional acts.

10. Entire Agreement: This document expresses the entire agreement between the parties and will not be amended or modified except by written instrument signed by the parties.

11. Enforcement: In the event that any portion of this agreement will be found to be invalid or unenforceable, the remaining terms and conditions will be severed and will remain in full force and effect.

12. Conflict Resolution: If a conflict arises pursuant to this agreement or any part thereof, the parties agree to act in good faith to resolve the conflict. If resolution is not reached within 30 days of notice by one party to the other of the conflict, the parties agree to enter into mediation by an independent mediator before filing a law suit, unless suit must be filed to protect a claim because of a statute of limitation.

13. Non-Discrimination and Equal Opportunity: The Contractor certifies that it will comply fully with the non-discrimination and equal opportunity provisions of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; the Americans with Disabilities Act of 1990, as amended; and with all applicable requirements imposed by or pursuant to regulations that implement those laws.

Executed on the dates noted below:

CITY OF LOCKHART, TEXAS

Lew White, Mayor

Date: _____

Attest:

Connie Constancio, TRMC, City Secretary

TEXAS REGIONAL PROTECTIVE SERVICES

William Ward, Managing Member

Date: _____



Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Finance	<input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable	
		Reviewed by Legal	<input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: City Manager		Initials	Date	
Department Head: Vance Rodgers		Asst. City Manager		
Dept. Signature: <i>Vance Rodgers</i>		City Manager		
		<i>[Signature]</i>	<i>8-15-18</i>	
Agenda Item Coordinator/Contact (include phone #): Vance Rodgers				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input checked="" type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action regarding Memorandum of Understanding Agreement between the City of Lockhart and Connections which is a non-profit individual and family counseling agency funded by the United Way and Texas Network of Youth Services and appointing the City Manager to sign the agreements if approved.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S):				
SUMMARY OF ITEM				
This agency has been providing these counseling services, especially for youth at the library, for several years.				
STAFF RECOMMENDATION				
City Manager recommends approval of the agreements.				
List of Supporting Documents: Copies of agreements and letter of explanation.		Other Departments, Boards, Commissions or Agencies:		

DR. EUGENE CLARK LIBRARY

Guidelines for completing Memorandum of Understanding

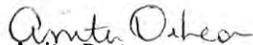
Thank you in advance for collaborating with our agency to assist youth and families in our communities.

Attached you will find two documents-one for EYPU (Positive Actions) and one for EYPS (CBSG).

Please sign both documents and return to Anita De Leon, Prevention Specialist, (512)2-667-0663.

Upon receipt of these forms, our Executive Director, Kellie Stallings will provide her signature and a final copy will be mailed back to your agency or hand delivered.

Please contact our office as needed with questions or concerns at 512-398-6833, and thank you once again for working in partnership with our agency.


Anita De Leon,

Prevention Specialist

1022 State Park Rd.

Lockhart, TX 78644

Phone: (512) 398-6833

Fax: (512) 398-5933

adeleon@connectionsnonprofit.org

24 Hour Crisis Hotline (800) 532-8192

CONNECTIONS

INDIVIDUAL AND FAMILY SERVICES

Memorandum of Understanding

This Memorandum of Understanding is entered between Dr. Eugene Clark Library and the Universal Substance Abuse Prevention (YPU) Program, *Positive Action*, provided by Connections Individual and Family Services, Inc., for the purpose of integrating Dr. Eugene Clark Library services with YPU services. The services provided by the YPU program will benefit eligible at-risk youth ages 6-18.

Connections' YPU Program will provide prevention activities focusing on reducing risk factors and increasing protective factors linked to substance abuse and related problem behaviors by the use of evidenced based curriculum and prevention related strategies. The activities include but are not limited to: Prevention Education/Skills Training in schools and community programs through the use of Alternative Activities focusing on teaching recreational alternatives to youth and families, (games to team and promote team building, crossword puzzles, coloring pages, etc.); participation in community activities such as but not limited to: Fall Festival, Red Ribbon Week, and; parent education and skills training; Prevention Presentations; Minors and Tobacco Education and Presentations (such as the Tar Jar, Chemicals, Poisons and Cancerous Agents in a Cigarette, etc.); and Alcohol and Other Drug Presentations (such as Using Medicine Safely etc) problem identification and referral services.

Dr. Eugene Clark Library will provide referrals for YPU services and assistance in obtaining consent forms when necessary. Dr. Eugene Clark Library will facilitate the access of YPU services to individuals who meet YPU admission criteria. This agreement will benefit the community by enabling residents to obtain prevention services in a more effective manner and to assist at-risk youth and families to develop more positive skills for living.

Term and Termination:

The terms of this memorandum of understanding shall begin **September 01, 2018** and will end on **August 31, 2019**.

Amendment and Modification:

This agreement may be amended by the mutual agreement of the parties hereto in writing and to be attached and incorporated into this agreement.

In witness whereof, this memorandum of understanding has been executed by the authorized representative on the _____ day of _____ 2018.

Kellie Stallings, Executive Director
Connections Individual & Family Services, Inc.

Vance Rodgers, City Manager
Date
Dr. Eugene Clark Library



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CONNECTIONS

INDIVIDUAL AND FAMILY SERVICES

Memorandum of Understanding

This Memorandum of Understanding is entered between Dr. Eugene Clark Library and the Selective Substance Abuse Prevention (YPS) Program, *Curriculum Based Support Group (CBSG)*, provided by Connections Individual and Family Services, Inc., for the purpose of integrating Dr. Eugene Clark Library services with YPS services. The services provided by the YPS program will benefit eligible at-risk youth ages 6-17.

Connections' YPS Program will provide prevention activities focusing on reducing risk factors and increasing protective factors linked to substance abuse and related problem behaviors by the use of evidenced based curriculum and prevention related strategies. The activities include but are not limited to: Prevention Education/Skills Training in schools and community programs through the use of Alternative Activities focusing on teaching recreational alternatives to youth and families, (games to team and promote team building, crossword puzzles, coloring pages, etc.); participation in community activities such as but not limited to: Fall Festival, Red Ribbon Week, and; parent education and skills training; Prevention Presentations; Minors and Tobacco Education and Presentations (such as the Tar Jar, Chemicals, Poisons and Cancerous Agents in a Cigarette, etc.); and Alcohol and Other Drug Presentations (such as Using Medicine Safely etc) problem identification and referral services. Dr. Eugene Clark Library will provide referrals for YPS services and assistance in obtaining consent forms when necessary. Dr. Eugene Clark Library will facilitate the access of YPS services to individuals who meet YPS admission criteria. This agreement will benefit the community by enabling residents to obtain prevention services in a more effective manner and to assist at-risk youth and families to develop more positive skills for living.

Term and Termination:

The terms of this memorandum of understanding shall begin **September 01, 2018** and will end on **August 31, 2019**.

Amendment and Modification:

This agreement may be amended by the mutual agreement of the parties hereto in writing and to be attached and incorporated into this agreement.

In witness whereof, this memorandum of understanding has been executed by the authorized representative on the _____ day of _____ 2018.

Kellie Stallings, Executive Director
Connections Individual & Family Services, Inc.

Vance Rodgers, City Manager
Dr. Eugene Clark Library
Date



Travis Wommack
Board President

CONNECTIONS

INDIVIDUAL AND FAMILY SERVICES

Kellie Stallings
Executive Director

PARKS & RECREATION

To: Whom It May Concern
Re: EYPU/EYPS MOUS to be signed

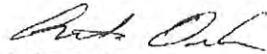
Thank you in advance for collaborating with our agency to assist youth and families in our communities.

Attached you will find two documents-one for EYPU (*Positive Actions*) and one for EYPS (CBSG).

Please sign both documents and return to Anita De Leon, Prevention Specialist, (512)2-667-0663.

Upon receipt of these forms, our Executive Director, Kellie Stallings will provide her signature and a final copy will be mailed back to your agency or hand delivered.

Please contact me as needed with questions or concerns at 512-667-0663, and thank you once again for working in partnership with our agency, Connections Individual and Family Services.



Anita De Leon,
Prevention Specialist
1022 State Park Rd.
Lockhart, TX 78644
Phone: (512) 398-6833
Fax: (512) 398-5933
adeleon@connectionsnonprofit.org
24 Hour Crisis Hotline (800) 532-8192

P.O. Box 314268
New Braunfels, Texas 78131-1268



www.connectionsnonprofit.org

Phone: (800) 629-6571
Fax: (800) 608-1262

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CONNECTIONS

INDIVIDUAL AND FAMILY SERVICES

Memorandum of Understanding

This Memorandum of Understanding is entered between Lockhart Parks and Recreation and the Universal Substance Abuse Prevention (YPU) Program, *Positive Action*, provided by Connections Individual and Family Services, Inc., for the purpose of integrating Lockhart Parks and Recreation services with YPU services. The services provided by the YPU program will benefit eligible at-risk youth ages 6-18.

Connections' YPU Program will provide prevention activities focusing on reducing risk factors and increasing protective factors linked to substance abuse and related problem behaviors by the use of evidenced based curriculum and prevention related strategies. The activities include but are not limited to: Prevention Education/Skills Training in schools and community programs through the use of Alternative Activities focusing on teaching recreational alternatives to youth and families, (games to team and promote team building, crossword puzzles, coloring pages, etc.); participation in community activities such as but not limited to: Fall Festival, Red Ribbon Week, and; parent education and skills training; Prevention Presentations; Minors and Tobacco Education and Presentations (such as the Tar Jar, Chemicals, Poisons and Cancerous Agents in a Cigarette, etc.); and Alcohol and Other Drug Presentations (such as Using Medicine Safely etc) problem identification and referral services.

Lockhart Parks and Recreation will provide referrals for YPU services and assistance in obtaining consent forms when necessary. Lockhart Parks and Recreation will facilitate the access of YPU services to individuals who meet YPU admission criteria. This agreement will benefit the community by enabling residents to obtain prevention services in a more effective manner and to assist at-risk youth and families to develop more positive skills for living.

Term and Termination:

The terms of this memorandum of understanding shall begin **September 01, 2018** and will end on **August 31, 2019**.

Amendment and Modification:

This agreement may be amended by the mutual agreement of the parties hereto in writing and to be attached and incorporated into this agreement.

In witness whereof, this memorandum of understanding has been executed by the authorized representative on the _____ day of _____ 2018.

Kellie Stallings, Executive Director
Connections Individual & Family Services, Inc.

Vance Rodgers, City Manager
Lockhart Parks and Recreation

Date



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CONNECTIONS

INDIVIDUAL AND FAMILY SERVICES

Memorandum of Understanding

This Memorandum of Understanding is entered between Lockhart Parks and Recreation and the Selective Substance Abuse Prevention (YPS) Program, *Curriculum Based Support Group (CBSG)*, provided by Connections Individual and Family Services, Inc., for the purpose of integrating Lockhart Parks and Recreation services with YPS services. The services provided by the YPS program will benefit eligible at-risk youth ages 6-17.

Connections' YPS Program will provide prevention activities focusing on reducing risk factors and increasing protective factors linked to substance abuse and related problem behaviors by the use of evidenced based curriculum and prevention related strategies. The activities include but are not limited to: Prevention Education/Skills Training in schools and community programs through the use of Alternative Activities focusing on teaching recreational alternatives to youth and families, (games to team and promote team building, crossword puzzles, coloring pages, etc.); participation in community activities such as but not limited to: Fall Festival, Red Ribbon Week, and; parent education and skills training; Prevention Presentations; Minors and Tobacco Education and Presentations (such as the Tar Jar, Chemicals, Poisons and Cancerous Agents in a Cigarette, etc.); and Alcohol and Other Drug Presentations (such as Using Medicine Safely etc) problem identification and referral services. Dr. Lockhart Parks and Recreation will provide referrals for YPS services and assistance in obtaining consent forms when necessary. Lockhart Parks and Recreation will facilitate the access of YPS services to individuals who meet YPS admission criteria. This agreement will benefit the community by enabling residents to obtain prevention services in a more effective manner and to assist at-risk youth and families to develop more positive skills for living.

Term and Termination:

The terms of this memorandum of understanding shall begin **September 01, 2018** and will end on **August 31, 2019**.

Amendment and Modification:

This agreement may be amended by the mutual agreement of the parties hereto in writing and to be attached and incorporated into this agreement.

In witness whereof, this memorandum of understanding has been executed by the authorized representative on the _____ day of _____ 2018.

Kellie Stallings, Executive Director
Connections Individual & Family Services, Inc.

Vance Rodgers, City Manager
Lockhart Parks and Recreation
Date



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TEXAS SALES AND USE TAX RESALE CERTIFICATE

Name of purchaser, firm or agency as shown on permit Connections Individual and Family Services, Inc.	Phone (Area code and number) 830-639-6571
Address (Street & number, P.O. Box or Route number) P.O. Box 311268	
City, State, ZIP code New Braunfels, Texas 78131-1268	
Texas Sales and Use Tax Permit Number (must contain 11 digits) 71421178116911	
Out-of-state retailer's registration number or Federal Taxpayers Registry (RFC) number for retailers based in Mexico <i>(Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)</i>	

I, the purchaser named above, claim the right to make a non-taxable purchase (for resale of the taxable items described below or on the attached order or invoice) from:

Seller: _____

Street address: _____

City, State, ZIP code: _____

Description of items to be purchased on the attached order or invoice:

Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:

Since January 16, 1981, Connections (formerly Teen Connection) qualifies for an

exemption from the IRS under Section 501(c) (3) of the IRS code and continues to be recognized under the state sales tax statute as an exempt organization (74-2179169)

The taxable items described above, or on the attached order or invoice, will be resold, rented or leased by me within the geographical limits of the United States of America, its territories and possessions or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.

I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.

I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease or rental, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here	Title Executive Director	Date 4/15/10
-----------	------------------------------------	------------------------

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

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**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: Economic Development		Initials	Date	
Department Head: Robert Tobias		Asst. City Manager		
Dept. Signature: <i>Robert A. Tobias</i>		City Manager		
		<i>RT</i>	<i>8-15-18</i>	
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action regarding Resolution 2018-12 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Visionary Fiber Technologies (Project Oklahoma) in an amount not to exceed \$427,500 based on a \$6.75 million capital investment in the project that will create at minimum 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000. (SECOND READING)				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S): LEDC				
SUMMARY OF ITEM				
The Lockhart Economic Development Corporation (LEDC) held the required public hearing on August 6, 2018. The board unanimously approved LEDC Resolution 2018-06 and associated Performance Agreement. The LEDC received input from representatives of Visionary Fiber Technologies, staff, and review of the Business Information Form to assess their economic impact.				
STAFF RECOMMENDATION				
Staff respectfully recommends approval of Resolution 2018-12 as presented.				
List of Supporting Documents: Resolution 2018-12, LEDC Resolution 2018-06, Public Hearing Notice and LEDC Business Information Form		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation		

RESOLUTION NO. 2018-12

A RESOLUTION OF THE LOCKHART CITY COUNCIL FOR FUNDING UP TO \$427,500 FOR VISIONARY FIBER TECHNOLOGIES (PROJECT OKLAHOMA) UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named VISIONARY FIBER TECHNOLOGIES after proper public notice and a public hearing on August 6, 2018, for an incentive amount not to exceed \$427,500 based on a \$6.75 million investment, with up to 70 new full-time equivalent (FTE) jobs with an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period; and

WHEREAS, the LEDC has determined that VISIONARY FIBER TECHNOLOGIES (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The infrastructure improvements project costs and other associated development costs are HEREBY APPROVED as follows:

The LEDC shall pay up to \$427,500 for infrastructure and other development costs

subject to the conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

PASSED AND ADOPTED at a meeting of the Lockhart City Council held on this _____ day of _____, 2018.

City of Lockhart

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC
City Secretary

Peter Gruning, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and PROJECT OKLAHOMA a limited liability corporation.

RECITALS

WHEREAS, PROJECT OKLAHOMA desires to expand to the City of Lockhart, Texas ("City") and participate in the Economic Development Program established in this Agreement; and

WHEREAS, the LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to PROJECT OKLAHOMA to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City's tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and PROJECT OKLAHOMA desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and PROJECT OKLAHOMA agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by PROJECT OKLAHOMA. When used hereafter, the phrase "duration of this Agreement" shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of PROJECT OKLAHOMA agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) To provide incentives up to \$427,500 for developments and other associated costs, which will create up to 71 FTE jobs with an average annual wage of \$75,000 per year which are subject to the conditions set out herein and in Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979). The amount of financial benefit that PROJECT OKLAHOMA will retain from the LEDC project funds is subject to the number of jobs created, as described in attached Potential Value of Incentives Package.

Section 4. PROJECT OKLAHOMA Requirements

In consideration of LEDC agreeing to perform the foregoing, PROJECT OKLAHOMA agrees:

- (a) To purchase the building at 1400 FM-20 (Blackjack Street) and for other related improvements valued at \$4 million in City of Lockhart;
- (b) To begin operation within 120 days of agreement;
- (c) To employ a minimum of 71 Full Time Equivalent ("FTE") employees at an average annual wage of \$75,000 for the (10) ten-year period of this agreement. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 2,080 hours;
- (d) To keep current in the payment of taxes owed to any taxing jurisdiction in which the Property is located.

Section 5. Recapture/Termination

- (a) In the event that PROJECT OKLAHOMA begins operating its business, but subsequently discontinues operating its business in such for any reason (a "Business Interruption"), except as a result of fire, explosion, or other casualty or accident, force majeure or other natural disaster, war or civil unrest, a taking under eminent domain, regulatory restrictions of any applicable governmental entity which makes conduct of the PROJECT OKLAHOMA illegal or

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economically untenable, or other event beyond the reasonable control of PROJECT OKLAHOMA: (the "Business Interruption Exceptions") for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event PROJECT OKLAHOMA shall be required to repay to LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of such period.

- (b) In the event that PROJECT OKLAHOMA shall fail to repay the LEDC within thirty (30) days of the date such repayment is due, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full repayment of any monies expended. The burden shall be upon PROJECT OKLAHOMA to prove to the satisfaction of the LEDC that the discontinuance of operating its business was a result of one of the Business Interruption Exceptions. In the event PROJECT OKLAHOMA meets this burden and the LEDC is satisfied that the discontinuance of the operation of the manufacturing facility was the result of events beyond the control of PROJECT OKLAHOMA, the parties shall commemorate such satisfaction in a document signed and dated by the Parties. PROJECT OKLAHOMA shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.
- (c) In the event that following a Business Interruption which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full payment of such monies.
- (b) In the event that PROJECT OKLAHOMA allows ad valorem taxes owed to the City of Lockhart, Texas on the Property, or its business personal property or inventory to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on PROJECT OKLAHOMA assets for full payment of such monies.

Section 6. Certification of Compliance by PROJECT OKLAHOMA

On or before March 1 of each year that this Agreement is in effect, PROJECT OKLAHOMA shall upon request certify in writing to the LEDC that it is in compliance

with all provisions of this Agreement. Such certification shall include any and all documentation required by the LEDC establishing that PROJECT OKLAHOMA has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records of related to the provisions of this Agreement, including but not limited to FTE positions created or retained, capital investments made, and use or distribution of and direct incentives received.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

(a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and PROJECT OKLAHOMA expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.

(b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between the LEDC and PROJECT OKLAHOMA with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the LEDC and PROJECT OKLAHOMA.

Section 9. Successors and Assigns

This Agreement may not be assigned to any third party by PROJECT OKLAHOMA without the written consent of LEDC. In the event of such assignment or in the event of legal succession of PROJECT OKLAHOMA interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

PROJECT OKLAHOMA:

President/CEO
PROJECT OKLAHOMA
1400 FM-20 East (Blackjack Road)
Lockhart, TX 78644

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

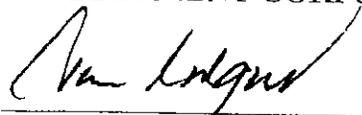
In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and PROJECT OKLAHOMA agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

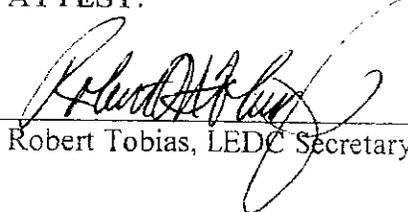
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

THE LOCKHART ECONOMIC
DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



Robert Tobias, LEDC Secretary

PROJECT OKLAHOMA:

President/CEO

State of Texas §
 §
County of Caldwell §

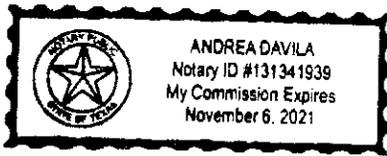
The foregoing instrument was acknowledged before me this 4th day of August, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas.

Andrea Davila

Notary Public State of Texas

My Commission expires:

November 6, 2021



State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by John Kinzer, known to me to be the President/CEO of PROJECT OKLAHOMA, a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires:

**POTENTIAL VALUE OF INCENTIVES PACKAGE
PROSPECT: PROJECT OKLAHOMA**

Incentives to locate \$6.75 million project and create up to 70 FTE jobs with an average annual wages of over \$75,000; estimated total payroll of \$5.25 million in five years

LEDC INCENTIVES PROPOSED:	Up to
Reimburse company for development of land, improvements	\$337,500
Reimburse impact, building/inspection fees, water/sewer taps	\$25,000
Electric transformers	\$25,000
Workforce incentives for 20 jobs at \$2,000 per job	\$40,000
LEDC INCENTIVES PROPOSED UP TO:	\$427,500

* LEDC will reimburse company incentives up to \$427,500 upon proof of \$6.75 million capital investment to be paid out in increments

**Other incentives to be pursued via City and County property tax rebates, ACC Skills Development Fund, and other

All above potential incentives to be considered by LEDC in Aug 2018 but subject to final approval by City Council and County

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**LOCKHART ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION NO. 2018-06**

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION (LEDC) FOR FUNDING UP TO \$427,500 FOR PROJECT OKLAHOMA UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named PROJECT OKLAHOMA after proper public notice and a public hearing on August 6, 2018, for an incentive amount not to exceed \$427,500 based on a \$6.75 million investment, with up to 70 new full-time equivalent (FTE) jobs with an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period; and

WHEREAS, the LEDC has determined that PROJECT OKLAHOMA (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION THAT:

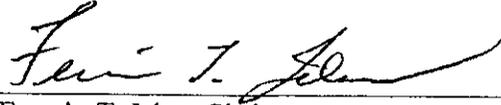
SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The infrastructure improvements project costs and other associated development costs are **HEREBY APPROVED** as follows:

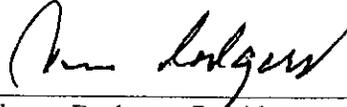
The LEDC shall pay up to \$427,500 for infrastructure and other development costs subject to the conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

PASSED AND ADOPTED at a meeting of the Lockhart Economic Development Corporation held on this 10th day of August, 2018.

Lockhart Economic Development Corporation

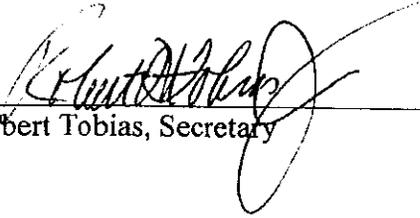


Fermin T. Islas, Chairperson



Vance Rodgers, President

Attest:



Robert Tobias, Secretary

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement (“Agreement”) is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS (“LEDC”), a Type B Economic Development Corporation, and PROJECT OKLAHOMA a limited liability corporation.

RECITALS

WHEREAS, PROJECT OKLAHOMA desires to expand to the City of Lockhart, Texas (“City”) and participate in the Economic Development Program established in this Agreement; and

WHEREAS, the LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to PROJECT OKLAHOMA to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City’s tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and PROJECT OKLAHOMA desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and PROJECT OKLAHOMA agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by PROJECT OKLAHOMA. When used hereafter, the phrase "duration of this Agreement" shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of PROJECT OKLAHOMA agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) To provide incentives up to \$427,500 for developments and other associated costs, which will create up to 71 FTE jobs with an average annual wage of \$75,000 per year which are subject to the conditions set out herein and in Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979). The amount of financial benefit that PROJECT OKLAHOMA will retain from the LEDC project funds is subject to the number of jobs created, as described in attached Potential Value of Incentives Package.

Section 4. PROJECT OKLAHOMA Requirements

In consideration of LEDC agreeing to perform the foregoing, PROJECT OKLAHOMA agrees:

- (a) To purchase the building at 1400 FM-20 (Blackjack Street) and for other related improvements valued at \$4 million in City of Lockhart;
- (b) To begin operation within 120 days of agreement;
- (c) To employ a minimum of 71 Full Time Equivalent ("FTE") employees at an average annual wage of \$75,000 for the (10) ten-year period of this agreement. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 2,080 hours;
- (d) To keep current in the payment of taxes owed to any taxing jurisdiction in which the Property is located.

Section 5. Recapture/Termination

- (a) In the event that PROJECT OKLAHOMA begins operating its business, but subsequently discontinues operating its business in such for any reason (a "Business Interruption"), except as a result of fire, explosion, or other casualty or accident, force majeure or other natural disaster, war or civil unrest, a taking under eminent domain, regulatory restrictions of any applicable governmental entity which makes conduct of the PROJECT OKLAHOMA illegal or

economically untenable, or other event beyond the reasonable control of PROJECT OKLAHOMA: (the "Business Interruption Exceptions") for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event PROJECT OKLAHOMA shall be required to repay to LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of such period.

- (b) In the event that PROJECT OKLAHOMA shall fail to repay the LEDC within thirty (30) days of the date such repayment is due, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full repayment of any monies expended. The burden shall be upon PROJECT OKLAHOMA to prove to the satisfaction of the LEDC that the discontinuance of operating its business was a result of one of the Business Interruption Exceptions. In the event PROJECT OKLAHOMA meets this burden and the LEDC is satisfied that the discontinuance of the operation of the manufacturing facility was the result of events beyond the control of PROJECT OKLAHOMA, the parties shall commemorate such satisfaction in a document signed and dated by the Parties. PROJECT OKLAHOMA shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.
- (c) In the event that following a Business Interruption which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on the Properties for full payment of such monies.
- (b) In the event that PROJECT OKLAHOMA allows ad valorem taxes owed to the City of Lockhart, Texas on the Property, or its business personal property or inventory to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, PROJECT OKLAHOMA shall be required to repay LEDC any monies expended by the LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event. In the event that PROJECT OKLAHOMA shall fail to timely repay the LEDC, PROJECT OKLAHOMA hereby agrees that the LEDC may place a lien on PROJECT OKLAHOMA assets for full payment of such monies.

Section 6. Certification of Compliance by PROJECT OKLAHOMA

On or before March 1 of each year that this Agreement is in effect, PROJECT OKLAHOMA shall upon request certify in writing to the LEDC that it is in compliance

with all provisions of this Agreement. Such certification shall include any and all documentation required by the LEDC establishing that PROJECT OKLAHOMA has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records of related to the provisions of this Agreement, including but not limited to FTE positions created or retained, capital investments made, and use or distribution of and direct incentives received.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

(a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and PROJECT OKLAHOMA expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.

(b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between the LEDC and PROJECT OKLAHOMA with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the LEDC and PROJECT OKLAHOMA.

Section 9. Successors and Assigns

This Agreement may not be assigned to any third party by PROJECT OKLAHOMA without the written consent of LEDC. In the event of such assignment or in the event of legal succession of PROJECT OKLAHOMA interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

PROJECT OKLAHOMA:

President/CEO
PROJECT OKLAHOMA
1400 FM-20 East (Blackjack Road)
Lockhart, TX 78644

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

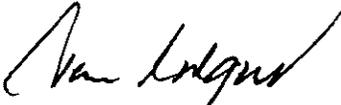
In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and PROJECT OKLAHOMA agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

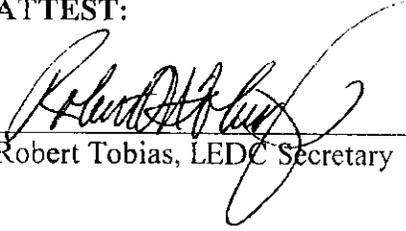
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

THE LOCKHART ECONOMIC
DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



Robert Tobias, LEDC Secretary

PROJECT OKLAHOMA:

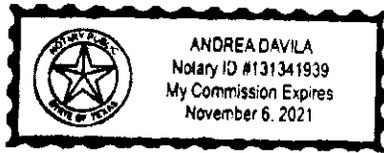
President/CEO

State of Texas §
 §
County of Caldwell §

The foregoing instrument was acknowledged before me this 4th day of August, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas.

Andrea Davila

Notary Public State of Texas



My Commission expires:
November 6, 2021

State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by John Kinzer, known to me to be the President/CEO of PROJECT OKLAHOMA, a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires:

**POTENTIAL VALUE OF INCENTIVES PACKAGE
PROSPECT: PROJECT OKLAHOMA**

Incentives to locate \$6.75 million project and create up to 70 FTE jobs with an average annual wages of over \$75,000; estimated total payroll of \$5.25 million in five years

LEDC INCENTIVES PROPOSED:	Up to
Reimburse company for development of land, improvements	\$337,500
Reimburse impact, building/inspection fees, water/sewer taps	\$25,000
Electric transformers	\$25,000
Workforce incentives for 20 jobs at \$2,000 per job	\$40,000
LEDC INCENTIVES PROPOSED UP TO:	\$427,500

* LEDC will reimburse company incentives up to \$427,500 upon proof of \$6.75 million capital investment to be paid out in increments

**Other incentives to be pursued via City and County property tax rebates, ACC Skills Development Fund, and other

All above potential incentives to be considered by LEDC in Aug 2018 but subject to final approval by City Council and County

HISTORY

**LOCKHART ECONOMIC DEVELOPMENT CORPORATION
PUBLIC HEARING NOTICE**

The Directors of the Lockhart Economic Development Corporation (LEDC) will conduct a public hearing on Monday, August 6, 2018, at 6:00 p.m. in the Upstairs Conference Room at Lockhart City Hall, 308 West San Antonio Street, Lockhart, Texas to discuss a project under Section 4B of the Texas Economic Development Corporation Act of 1979.

The Public Hearing is to consider a new project, Project Oklahoma, which is considering an expansion to Lockhart. The company plans to purchase the building located at 1408 Blackjack Street to house a manufacturing facility. The initial capital investment is estimated at \$6.75 million and the company will create up to 70 new jobs with an average wage of \$75,000 per year. The LEDC will be considering possible reimbursable incentives up to \$427,500 to be offered to the company to help facilitate their investment and expansion to Lockhart.

All interested parties are encouraged to attend and present their views. Persons with disabilities that plan to attend this meeting should contact the City Secretary's office to arrange for assistance. Individuals who require aids or services for this meeting should contact City Hall at least two days before the meeting.

Lockhart Economic Development Corporation

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Lockhart

Economic  Development

Business Information Form

Date Received: _____ Project: _____

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INSTRUCTIONS

The Business Information Form is intended for internal economic development analysis and efforts will be made to restrict circulation of the information included on the form to appropriate members of the City of Lockhart. However, please note that the Texas Open Records Act provides that information collected, assembled, or maintained by the City under a law or ordinance or in connection with the transaction of official business is generally considered to be public information. However, the Texas Public Information Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached and is ready for consideration, this document may be posted to the city's website for public disclosure.

Questions or Comments

Please contact
Rob Tobias
Director of Economic Development, City of Lockhart
rtobias@lockhart-tx.org
308 W. San Antonio
Lockhart, TX 78644
(P) 512-398-3461

CERTIFICATION OF APPLICATION – BUSINESS

Authorized Business Representative (This is the Applicant)

First Name John Last Name Kinzer
Title President & CEO
Organization Visionary Fiber Technologies, Inc.
Street Address 7813 Lazy River Cv (Personal Address)
Mailing Address Same as personal address
City Austin State TX Zip 78730 -
Phone Number 312-339-2200 Fax Number _____
Mobile Number Same Website _____
Email Address _____

The following consultant is authorized to provide and obtain information related to this application. However, the City of Lockhart reserves the right to contact the applicant business directly at any time.

Consultant Name Pierre Sharboneau Phone Number 512-669-9390
Consultant Email sharboneau@aol.com

To the best of my knowledge and belief, the information contained in this Lockhart Application is true and correct, as evidenced by my signature below. I further certify that the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within Texas.

Signature _____ Date 5/21/18
(Primary Business Representative)

BUSINESS APPLICANT INFORMATION

1A. Exact legal name of the entity applying to the City of Lockhart incentive.

Visionary Fiber Technologies, Inc.

1B. In addition to the Applicant, list all corporate subsidiaries under which jobs will be reported for this project.

None Currently

Federal Tax ID number 82-5294310 Comptroller of Public Accounts number N/A

Corporate credit rating and source N/A Service / product produced Manufacturing / Monitoring

Will the Business be required to pay state sales and use tax on equipment? Yes No Undetermined

NAICS Code TBD

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls.

- Advanced Technologies and Manufacturing, including four sub-clusters: Nanotechnology and Materials; Micro-electromechanical Systems; Semiconductor Manufacturing; Automotive Manufacturing
- Aerospace, Aviation and Defense
- Biotechnology and Life Sciences, not including medical services
- Information and Computer Technology, including three sub-clusters: Communications Equipment; Computing Equipment and Semiconductors; Information Technology
- Petroleum Refining and Chemical Products
- Energy, including three sub-clusters: Oil and Gas Production; Power Generation and Transmission; Manufactured Energy Systems
- None apply

PROJECT INFORMATION

Please describe the Project:

We are the commercialization arm for a portfolio of global patents on scientific processes equipment targeting various fields and industries including: agricultural food oil production, recyclables for bio fuel production, pharmaceutical APIs and rare earth element extractions. Our desire for an Austin area location will include administration, assembly and global distribution of units, monitoring of remote controller systems, and a showcase facility to prove the functionality of commercialized reactors to process up to six million gallons of product annually. We have a need for a community that can provide manufacturing capabilities with necessary certifications for chemicals used in processing, nearby distribution channels, and resources for needed professional talent. We are clean, proactive, and a forward-thinking business that can enhance numerous industries in an eco-friendly manner. We are looking for a location to establish our global headquarters to showcase our Company to the world in a location/region we can be proud to call home.

Is the company considering other Texas Locations? Yes No

Is the company considering other U.S. Locations? Yes No

Is the company considering other Global Locations? Yes No

Market for Product of Activity: Local State U.S. Global

Location of Planned Investment:

1400 Black Jack Street Lockhart, Texas, 78644 in Caldwell County, Texas.

Project Timeline

Expected Start Date: June 15, 2018

Expected Complete Date: August 31, 2018

Project Capital Investment (U.S. Dollars)

Leasing Plans: Yes No

Land: \$500,000 Total Acres: 5.5

Building: \$1,500,000 Square Feet: 31,000

Investment Schedule

(Please provide a 10-year list of the following items.)

Year	Land	Building	M&E	FF&E	Taxable Inventory	Labor	Total
2018	\$500,000	\$1,500,000	\$1,000,000	\$500,000	\$550,000	\$1,060,000	\$5,110,000
2019				\$500,000	\$1,650,000	\$7,759,000	\$9,909,000
2020				\$500,000	\$3,300,000	\$11,584,000	\$15,384,000
2021				\$500,000	\$5,500,000	\$16,894,000	\$22,894,000
2022				\$500,000	\$8,250,000	\$22,194,000	\$30,994,000
2023							TBD
2024							TBD
2025							TBD
2026							TBD
2027							TBD
TOTALS	\$500,000	\$1,500,000	\$1,000,000	\$2,500,000	\$19,250,000	\$59,491,000	\$84,241,000

PROJECT TOTAL >\$84,241,000

Depreciation Schedule

Item	Years	Percent per Year	Item	Years	Percent per Year
Machinery	10	10	Building	20	5
Equipment	10	10	Other		

Job Categories and Wage Distributions (within 12 months)

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	4	1	\$200,000	50%
Manager	2	0	\$175,000	100%
Supervisor	2	0	\$130,000	100%
Staff	10	1	\$100,000	75%
Entry Level	2	0	\$75,000	100%

What is the expected average wage for the lowest paid 10% of local workers? \$75,000.00

JOB CREATION & INVESTMENT SCHEDULE

Year	Existing Jobs On Site	New Jobs	Total
1	0	10	10
2	10	10	20
3	20	12	32
4	32	15	47
5	47	20	67
6			
7			
8			
9			
10			
Total			

Note: A breakdown of the types of new full-time jobs to be created by classification, title, and the salary may be requested.

Number of new full-time jobs to be included in City Agreement 10

Estimated annual median wage of new jobs to be created >\$75,000

Note: The median wage is determined by listing all salaries in ascending order and selecting the value with equal number of salaries above and below its value, or with an average of the two middle values if there is no middle number.

SERVICE REQUIREMENTS

Electric

Peak Monthly Demand in Kilowatts (KW): _____

Average Monthly Usage in Kilowatt Hours (kWh): _____

Average Monthly Load Factor: _____

Dual Feed Required: Yes No

Current Rate (cents per kWh): _____

Water

Average Monthly Usage: 30,000

Meter Size: _____

Waste Water

Average Monthly Discharge: 15,000

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Miscellaneous

Building Size: 31,000 Manufacturing Space: 25,000

Office Space: 6,000 Ceiling Heights: 20 Ft

Acres: 5.5 Docks/Type: 2 Dock High, 3 Ground Level

Parking Requirements: 30 Spaces

Rail: Yes No Interstate: Yes No

Commercial Airport: Yes No Fiber: Yes

ECONOMIC IMPACT OF PROJECT

Will the Project Generate:

Property Tax:
Land: X Yes No
Building: X Yes No
M&E: X Yes No
Inventory: X Yes No

Local Sales Tax: X Yes No

State Sales Tax: X Yes No

Total annual company purchases subject to local sales tax: \$1,000,000
(For example: office supply purchases, operating expenses, and taxable professional services)

Indirect Local Revenue: X Yes No
Describe:

Shipping and other logistics required by local trucking and shipping companies. Office and industrial supplies and parts. Technical services and maintenance.

Other Local Revenue: X Yes No
Describe:

Receiving, processing, distribution of raw corn oil and recycled food oil products.

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in vendor contracting through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in vendor contracting:

Yes No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

The Company will hire an HR group to ensure we have sufficient and legal goals that meet Federal and State requirements.

COMPANY FINANCIAL DATA

The applicant company is asked to provide three consecutive years of financial data in the form of independent, audited financial statements containing, at a minimum, the following categories:

- Current Assets
- Inventories
- Total Assets
- Current Liabilities
- Total Liabilities
- Total Equity
- Net Income
- Revenue
- Cost of Goods Sold
- Current Accounts Receivable

Note: Audited financial statements are required from the Applicant company, as listed on page 4, line 1A of this application. If financial statements are provided from a parent entity, the parent will be required to guarantee any economic development agreement with the City of Lockhart, should one result from this application.



**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: Economic Development		Initials	Date	
Department Head: Robert Tobias	Asst. City Manager			
Dept. Signature: <i>Robert Tobias</i>	City Manager	<i>RT</i>	<i>8-16-18</i>	
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input checked="" type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action regarding a Chapter 380 Economic Development Incentive Agreement with Visionary Fiber Technologies (Project Oklahoma) which reflects a project investment of \$6.75 million capital investment in the project with a minimum of 70 new full-time equivalent (FTE) jobs at an average annual wage of \$75,000 to be created over a five (5) year period and retained for the ensuing five (5) year period.				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S): LEDC, Texas Capital Fund, other				
SUMMARY OF ITEM				
City is authorized by §380.001, et seq., Texas Local Government Code, to promote state and local economic development and to simulate business and commercial activity within the City. The proposed Chapter 380 Economic Development Agreement proposed states that a property tax rebate would be offered up to ten (10) years per Attachment A for an amount up to \$236,132.				
STAFF RECOMMENDATION				
Staff respectfully recommends approval of the 380 Economic Development Incentive Agreement with Visionary Fiber Technologies.				
List of Supporting Documents: Proposed Chapter 380 agreement with tax rebate schedule		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation		

CITY OF LOCKHART

380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Agreement (“Agreement”) is made and entered into by and between THE CITY OF LOCKHART, TEXAS (“City”), a Texas home-rule municipal corporation, and VISIONARY FIBER TECHNOLOGIES, a Texas limited liability company.

RECITALS

VISIONARY FIBER TECHNOLOGIES desires to expand and locate its new facility in the City of Lockhart and to participate in the Economic Development Program established in this Agreement.

VISIONARY FIBER TECHNOLOGIES intends to make a total investment of \$6.75 million in equipment, personal property, real property, and improvements to real property over the 10-year period of this Agreement.

City desires to establish the Economic Development Program outlined herein and offer incentives to VISIONARY FIBER TECHNOLOGIES to locate its facility in the City.

City is authorized by §380.001, et seq., Texas Local Government Code, to promote state and local economic development and to stimulate business and commercial activity within the City. City has determined that a substantial economic benefit and the creation of new opportunities of employment will accrue to the City and the surrounding area if its facility is successfully developed on the Property.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and VISIONARY FIBER TECHNOLOGIES agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference, as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of _____ next following the date of execution of this Agreement.

Section 3. City Requirements

(a) In consideration of VISIONARY FIBER Technologies' agreement to locate its expansion facility within the City and to perform the other acts hereinafter described, City agrees:

To rebate to VISIONARY FIBER TECHNOLOGIES an amount of money each year equal to a percentage of the property tax paid for the facilities and improvements by VISIONARY FIBER TECHNOLOGIES during that year according to Attachment A and the following schedule:

Year 1	100%
Year 2	75%
Year 3	75%
Year 4	75%
Year 5	75%
Year 6	50%
Year 7	50%
Year 8	50%
Year 9	50%
Year 10	50%

The total City property tax rebate shall not be more than. \$236,132 during the ten (10) year period. Tax rebates on any existing buildings and real property are not allowed.

Section 4. VISIONARY FIBER TECHNOLOGIES' Requirements

Company hereby agrees that it will pay lawful City property taxes on or before January 31 of each year of this ten (10) year agreement and the Company will submit within 90 days of January 31 a rebate request for applicable City taxes paid and provide sufficient proof in the form of payroll registers that all job requirements have been satisfied. Failure to submit the rebate request with all required paperwork within the 90 days will result in no City rebate for the period of time under consideration.

In consideration of the City agreeing to perform the foregoing, VISIONARY FIBER TECHNOLOGIES agrees:

- (a) To locate an expansion facility within the City that will employ the Full Time Equivalent (FTE) of thirty employees (30) from the date that VISIONARY FIBER TECHNOLOGIES opens for business throughout the term of this agreement and also agrees to have at least 70 (FTE) employees by the 10th year of this agreement. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of 2080 hours. The average annual wage of the FTE employees \$75,000.
- (b) To employ a minimum of seventy (70) FTEs after the time period described in section 4(a) above, and to continue employing at least that number for the

term of this Agreement, provided however that VISIONARY FIBER TECHNOLOGIES shall be allowed a twenty-five percent (25%) grace factor in the number of FTE employees employed in any single year, during the term of this Agreement as a condition of receiving the reimbursement payment from the City pursuant to Section 3(a) for that year. In the event that the average FTEs drops below the grace factor number of FTEs in any year, VISIONARY FIBER TECHNOLOGIES will forfeit the reimbursement payment described in Sections 3(a) above for that year without affecting any other act or incentive agreed to by City.

- (c) To keep current in the payment of taxes owed to any taxing jurisdiction in which the Property is located.

Section 5. Recapture/Termination

(a) In the event that VISIONARY FIBER TECHNOLOGIES begins operating at its facility in the City, but subsequently discontinues operating such facility for any reason, excepting fire, explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of VISIONARY FIBER TECHNOLOGIES for a period of 180 days during the term of this Agreement, then in such event the City will no longer be obligated to expend any further funds for sales tax reimbursement, and VISIONARY FIBER TECHNOLOGIES shall be required to repay the City for any and all monies expended by the City under sections 3(a) of this Agreement within 30 days of the expiration of the 180 days.

(b) In the event that VISIONARY FIBER TECHNOLOGIES shall fail to repay the City within 30 days of the date such repayment is due, VISIONARY FIBER TECHNOLOGIES hereby agrees that the City may place a lien on the property where its expanded facility is located for full payment of such monies. The burden shall be upon VISIONARY FIBER TECHNOLOGIES to prove to the satisfaction of the City that the discontinuance of operating the distribution facility was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of VISIONARY FIBER TECHNOLOGIES. In the event VISIONARY FIBER TECHNOLOGIES meets this burden and the City is satisfied that the discontinuance of the operation of the its facility was the result of events beyond the control of VISIONARY FIBER TECHNOLOGIES, then VISIONARY FIBER TECHNOLOGIES shall have a period of one (1) year in which to resume the operation of its facility.

(c) In the event that VISIONARY FIBER TECHNOLOGIES fails to resume its operations at the facility within one (1) year, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and VISIONARY FIBER TECHNOLOGIES shall be required to repay the City for any and all monies expended by the City under sections 3(a) of this Agreement within 30 days of the expiration of the one

year period. In the event that VISIONARY FIBER TECHNOLOGIES shall fail to repay the City within 30 days of the date such repayment is due, VISIONARY FIBER TECHNOLOGIES hereby agrees that the City may place a lien on the Property for full payment of such monies.

(d) In the event that VISIONARY FIBER TECHNOLOGIES allows ad valorem taxes on property, or business personal property, or inventory owed to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the City will no longer be obligated to expend any further monies for sales tax reimbursement, and VISIONARY FIBER TECHNOLOGIES shall be required to repay the City for any and all monies expended by the City under sections 3(a) of this Agreement within 30 days of such event. In the event that VISIONARY FIBER TECHNOLOGIES shall fail to repay the City within 30 days of the date such repayment is due, VISIONARY FIBER TECHNOLOGIES hereby agrees that the City may place a lien on the property where the facility is located for full payment of such monies.

(e) In the event that VISIONARY FIBER TECHNOLOGIES relocates the business to a location outside of the City of Lockhart, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and VISIONARY FIBER TECHNOLOGIES shall be required to repay the City for any and all monies expended by the City under sections 3(a) of this agreement within 30 days of the relocation. In the event that VISIONARY FIBER TECHNOLOGIES shall fail to repay the City within 30 days of the date such repayment is due, VISIONARY FIBER TECHNOLOGIES hereby agrees that the City may place a lien on the property to which VISIONARY FIBER TECHNOLOGIES has relocated its facilities for full payment of such monies.

(f) In the event that the City determines that VISIONARY FIBER TECHNOLOGIES is in default of any of the terms or conditions contained in this Agreement, then in such event the City shall give VISIONARY FIBER TECHNOLOGIES thirty (30) days written notice to cure such default. In the event such default is not cured to the satisfaction of the City within the thirty (30) days notice period, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and VISIONARY FIBER TECHNOLOGIES shall be required to repay the City for any and all monies expended by the City under sects 3(a) of this Agreement within 30 days of the default. In the event that VISIONARY FIBER TECHNOLOGIES shall fail to repay the City within 30 days of the date such repayment is due, VISIONARY FIBER TECHNOLOGIES hereby agrees that the City may place a lien on the property where it is located for full payment of such monies.

Section 6. Certification of Compliance

On or before March 1 of each year that this Agreement is in effect, VISIONARY FIBER TECHNOLOGIES shall certify in writing to the City its compliance with all provisions of this Agreement. Such certification shall include any and all documentation required by the City establishing that VISIONARY FIBER TECHNOLOGIES has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The City, at any reasonable time, shall have the right to review any and all records of VISIONARY FIBER TECHNOLOGIES related to the provisions of this Agreement.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

(a) Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement shall be settled by alternative dispute resolution. City and VISIONARY FIBER TECHNOLOGIES expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.

(b) In the event that the claim or controversy is not settled by alternative dispute resolution, or in the event the parties are unable to agree upon an alternative dispute resolution agreeable to both parties, this Agreement shall be enforceable by law in a court of competent jurisdiction according to the laws of the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.

Section 8. Entire Agreement

This Agreement contains the entire agreement between the City and VISIONARY FIBER TECHNOLOGIES with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the City and VISIONARY FIBER TECHNOLOGIES.

Section 9. Successors and Assigns

This Agreement may not be assigned to any third party by VISIONARY FIBER TECHNOLOGIES without the written consent of the City; no reasonable request that protects the interests of the City will be denied. In the event of such assignment or in the event of legal succession of VISIONARY FIBER TECHNOLOGIES' interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

VISIONARY FIBER TECHNOLOGIES

John Kinzer
President/CEO
VISIONARY FIBER TECHNOLOGIES
1400 FM-20 East (Blackjack)
Lockhart, TX 78644

City: City Manager, City of Lockhart
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

City and VISIONARY FIBER TECHNOLOGIES agree to do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 2018.

THE CITY OF LOCKHART :

ATTEST:

Lew White, Mayor

Connie Constancio, City Secretary

VISIONARY FIBER TECHNOLOGIES:

John Kinzer

President/CEO
Title

State of Texas §

§

County of Caldwell §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Lew White, known to me to be the Mayor of the City of Lockhart, Texas.

Notary Public

My Commission expires:

State of Texas §
 §
County of Caldwell §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by John Kinzer known to me to be the President/CEO of VISIONARY FIBER TECHNOLOGIES.

Notary Public

My Commission expires:

Project Oklahoma : Potential 380 Tax Rebate: City of Lockhart

21-Aug-18

Rebates estimated base on Economic Development Impact information provided by the development.

ATTACHMENT A

April 2018 New Project

*** Cannot rebate property taxes on existing building and property

Year	No Rebate on Current Bldg/ Land Values or Personal Equip	Building Additions and Improvements	Furniture, Fixtures and Equip. M&E	YRLY TOTAL	ACCUMULATIVE
1	\$ 1,550,000	\$1,150,000	\$1,500,000	\$2,650,000	\$2,650,000
2		\$ 400,000	\$500,000	\$900,000	\$3,550,000
3		\$ 50,000	\$500,000	\$550,000	\$4,100,000
4		\$ 50,000	\$500,000	\$550,000	\$4,650,000
5		\$ 50,000	\$500,000	\$550,000	\$5,200,000
6			\$500,000	\$500,000	\$5,700,000
7			\$500,000	\$500,000	\$6,200,000
8			\$500,000	\$500,000	\$6,700,000
9			\$500,000	\$500,000	\$7,200,000
10			\$500,000	\$500,000	\$7,700,000
Total	\$ 1,550,000	\$1,700,000	\$6,000,000	\$7,700,000	

Tax Year:		Potential Tax Rebate for Years 1 through 10: Not to exceed \$ in each year					Potential Rebates
Est Rate	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
		100%	75%	75%	75%	75%	
City Tax	\$0.7260	\$19,239	\$19,330	\$22,325	\$25,319	\$28,314	\$114,527
Est Rate	Total	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	
		50%	50%	50%	50%	50%	
City Tax	\$0.7260	\$ 20,691	\$ 22,506	\$ 24,321	\$ 26,136	\$ 27,951	\$ 121,605

City Potential Tax Rebate: \$236,132

NOTE: Figures are estimates and subject to approval of the Lockhart City Council.
 Tax Rebate based upon Caldwell County Appraisal (CCAD) tax records AND with 71 beginning FTE jobs with annual average wage of \$75,000. Tax Rebate will be pro-rated on the net value of improvements to the property and any personal property, and the number of jobs with their verified wages.

Net Value= The NEW CCAD VALUE of the building, land, and any personal property less the ORIGINAL CCAD VALUE of the same. **Employees: If only** 50% of jobs and/wages are obtained, rebate will be reduced by same ratio.

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**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date: August 21, 2018				
Department: Economic Development		Initials	Date	
Department Head: Robert Tobias	Asst. City Manager			
Dept. Signature: <i>by [Signature]</i>	City Manager	<i>[Signature]</i>	<i>8.17.18</i>	
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action regarding Resolution 2018-13 amending Resolution 2018-11 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, for funding of Crop One Holding, Inc. (Project Soar) in an amount not to exceed \$491,049 based on a \$15 million capital investment in the project that will create at minimum 50 new full-time equivalent (FTE) jobs at an average annual wage of \$35,000. (SECOND READING)				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S): LEDC				
SUMMARY OF ITEM				
On June 5, 2018, City Council approved Resolution 2018-11 approving Project Soar as a Project and the related Performance Agreement proposed by the LEDC. Upon receipt of the approved Performance Agreement, the Company's legal counsel identified some additions necessary to move the project forward. That resulted in additional negotiations and revisions to the Performance Agreement. The revisions are related to the need for a minor plat approval, additional assurances from the LEDC of its capacity to provide the necessary public infrastructure to support this project, placing an option on adjacent property for their potential expansion, and the need for the LEDC to acquire 13.6 acres of land at the Centerpoint East Business Park. The LEDC board approved the revisions to the Performance Agreement and the purchase of the land to develop this project and to attract other industrial users.				
STAFF RECOMMENDATION				
Staff respectfully recommends approval of Resolution 2018-13 as presented.				
List of Supporting Documents: Resolution 2018-13, Economic Development Performance Agreement		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation		

RESOLUTION NO. 2018-13

A RESOLUTION OF THE LOCKHART CITY COUNCIL AMENDING RESOLUTION NO. 2018-11 REGARDING APPROVAL OF THE PERFORMANCE AGREEMENT FOR PROJECT SOAR (CROP ONE HOLDINGS) BY THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, by Resolution No. 2018-11 dated June 5, 2018, the City Council of the City of Lockhart approved the funding of a project of the Lockhart Economic Development Corporation ("LEDC") called Project Soar (COH); and

WHEREAS, as of the date of the Resolution the LEDC and the Business Entity that will develop Project Soar (COH) had negotiated Performance Agreement regarding the project, as required by Sec. 501.158, Texas Local Government Code; and

WHEREAS, certain terms of the Performance Agreement have been amended since the adoption of the Resolution which include LEDC's commitment to ensure that utilities, infrastructure, and a roadway will be made available for the project and that LEDC will assist in securing City approval of the Project as an Enterprise Zone Project for purposes of the Texas Enterprise Zone Program; and

WHEREAS, it is the desire of the City Council of the City of Lockhart to acknowledge and confirm the City's commitment to perform the obligations of said Performance Agreement, in order to ensure that the LEDC will meet and comply with the same;

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The commitments and obligations of the LEDC contained in the Performance Agreement for Project Soar (COH), including the City of Lockhart 2015 Certificates of Obligation funding for water infrastructure construction commitments adjacent to the property, and the LEDC funding and acquisition commitments for the purchase of the Option Parcel by the LEDC as provided therein are hereby approved and confirmed by the City Council of the City of Lockhart.

SECTION 3. Except as herein amendment the terms of Resolution No. 2018-11 shall remain in full force and effect.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, City Secretary

Peter Gruning, City Attorney

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ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and Crop One Holdings, Inc. ("CROP ONE"), a Texas Limited Liability corporation.

RECITALS

WHEREAS, CROP ONE desires to expand its operations to the City of Lockhart, Texas ("City"), to acquire a 5.43 acre tract within the City, to construct a facility in the City, of at least 70,000 square feet with other improvements, including equipment ("the Facility"), and participate in the Economic Development Program established in this Agreement; and

WHEREAS, LEDC desires to establish the Economic Development Program outlined herein and to offer incentives to CROP ONE under such Economic Development Program to locate such business in the City; and

WHEREAS, LEDC is authorized to promote state and local economic development and to stimulate business and commercial activity within the City, and LEDC has determined that substantial economic benefits, including an increase in the City's tax rolls, an increase in sales tax revenues, and the creation of new opportunities for local employment, will accrue to the City and the surrounding area, if such business is successfully developed on such property; and

WHEREAS, LEDC and CROP ONE desire to enter into this Agreement in order to comply with Sec. 501.158, Texas Local Government Code, which requires an economic development corporation, in order to offer incentives or make expenditures on behalf of a business enterprise under a project, to enter into a performance agreement that addresses a schedule of jobs created or retained, capital investment to be made, direct incentives provided, and the terms under which repayment shall be made in the event a business enterprise does not meet the requirements specified in the Agreement;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and CROP ONE agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be ten (10) years from the 1st day of the month following the beginning of business operations by CROP ONE at the Facility. When used hereafter, the phrase "duration of this Agreement" shall mean the term as defined above.

Section 3. LEDC Requirements

In consideration of CROP ONE's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

- (a) Provide a Grant equal to \$491,049 to CROP ONE in two parts as described below.
- (b) Provide 50% of the \$491,049 Grant to CROP ONE after CROP ONE purchases 5.43 acres of land in the City, constructs the Facility, as provided below, and receives a Certificate of Occupancy from the City.
- (c) Provide the remaining 50% of the \$491,049 Grant to CROP ONE after CROP ONE provides proof of the creation of up to fifty (50) FTE jobs with an average annual wage of \$35,000 per year as provided in Item 4(e) below and which are subject to the requirements of Chapter 505 of the Local Government Code (formerly Section 4B, of the Texas Economic Development Corporation Act of 1979).

The amount of financial benefit that CROP ONE will retain from LEDC project funds is subject to the number of jobs created, as described in 4(e) below.

- (d) Cause the LEDC to acquire a 7.64 acre tract of land contiguous to the 5.43 acre tract of land ("Option Parcel") and to grant an exclusive option to purchase the Option Parcel to LEDC for the sole benefit of CROP ONE ("Option"). The Option shall be for a time period of five (5) years from the date of closing of the purchase of the 5.43 acre tract of land referenced herein, at a purchase price equal to the current purchase price per acre, as prorated, for the 5.43 acre tract of land. CROP ONE shall pay the LEDC, at the time of closing on the 5.43 acre tract, an option fee equal to five percent (5%) of the purchase price of the 7.64 acre tract.

- (e) Ensure that all utilities and infrastructure needed to operate the Facility, including, without limitation, water, electricity, sanitary sewer, storm sewer and detention ponds, if required, natural gas, and telecommunications are available to the Facility by March 1, 2019. If CROP ONE exercises the Option and purchases the Option Parcel, LEDC shall further ensure that any and all additional utilities and infrastructure needed to operate the improvements to be constructed on the Option Parcel shall be available thereto based on the milestone dates to be agreed upon by LEDC and CROP ONE.
- (f) Ensure that a dedicated roadway that provides truck and automobile access from state route 130 to and from the Facility, along with lighting and sidewalks is constructed by March 1, 2019.
- (g) Assist in obtaining approval by the City of Lockhart of the Project as an Enterprise Zone Program for purposes of CROP ONE applying for Texas Enterprise Zone Program benefits.
- (h) Provide, as a condition precedent to the effectiveness of this Agreement, copies of authorizing resolution(s) confirming approval of the City Council of the City of Lockhart of this Project and the funding and infrastructure construction commitments of the City in support of this Agreement and the funding and acquisition commitments for the purchase of the Option Parcel by the LEDC as provided herein.
- (i) Provide to CROP ONE, as a further condition precedent to the effectiveness of this Agreement, a copy of the fully executed purchase agreement between the LEDC and the current owner of the Option Parcel, under which the LEDC shall acquire the Option Parcel as provided above.
- (j) To the extent reasonably feasible, assist in causing the replatting of the 5.43 acre tract as a separate tax parcel, in compliance with applicable law.
- (k) To the extent reasonably feasible, assist in causing the issuance of all necessary permits, licenses and consents by the City of Lockhart for construction and operation of the Facility to be expedited.

In furtherance of Sections 3(e) and (f), LEDC shall provide CROP ONE, within thirty (30) days from the date hereof, with a list of milestone dates for each designated phase of the work provided therein, which shall be complementary to CROP ONE's construction schedule in the completion of each phase of the Facility. The purpose of such list of milestone dates is in order that the LEDC and CROP ONE shall coordinate their respective construction activities with the other in order to facilitate completion of their respective responsibilities and obligations in a timely and legally compliant manner. Such milestone dates shall be amended, as needed, in order to stay current but failure of either party to meet a milestone date shall not be a breach of this Agreement. For the purpose of this Section 3, a sketch of the 5.43 acre tract of land and the Option Parcel,

and of the roadway connection to these premises, is attached hereto as Schedule 3 and made a part hereof.

LEDC represents and warrants to CROP ONE that it has available funding to finance all of the work provided in Sections 3(e) and (f).

Section 4. CROP ONE Requirements

In consideration of LEDC agreeing to perform the foregoing, and subject to any force majeure or Business Interruption Exception, as hereinafter defined, CROP ONE agrees:

- (a) Subject to compliance by the seller of the operative purchase agreements, and the satisfaction of all conditions precedent to the closing thereunder, purchase the 5.43 acres referenced in this Agreement;
- (b) Construct the Facility in the City of at least 70,000 square feet and with other improvements, including equipment, with a current project budget of approximately \$10,000,000.00 in capital investment, provided that CROP ONE shall be entitled to revise the budget as a result of, among other things, savings realized by value engineering, reduction of costs in building materials, equipment, labor and other components of the Facility, and substitution of individual facility components;
- (c) Submit schematic drawings for the Facility to the City within one hundred twenty (120) days of execution of this agreement and thereafter commence construction of the Facility within one hundred twenty (120) days after the later of (i) the City's approval of the construction plans and issuance of a building permit for the Facility and (ii) CROP ONE's purchase of the 5.43 acre tract;
- (d) Complete construction of the Facility within eighteen (18) months after the occurrence of the later of item 4(c) (i) or (ii) above;
- (e) Employ a minimum of fifty (50) Full Time Equivalent ("FTE") employees having an average annual wage of at least \$35,000 within the first five (5) years from the commencement of the term of this Agreement according to the following schedule:

- End of year one: Twenty (20) employees
- End of year two: Thirty (30) employees
- End of year three: Thirty-five (35) employees
- End of year four: Forty (40) employees
- End of year five: Fifty (50) employees

For the purposes of the payment of the amount of the grant contained in Item 3(c) above, LEDC shall pay the same to CROP ONE within thirty (30) days of

receipt of satisfactory proof of employment of fifty (50) FTE employees regardless of the year during said five years in which that total is reached;

CROP ONE shall provide LEDC with proof of employment of employees by submitting copies of payroll records omitting individual names, and federal employment tax forms providing for only the last four digits of employee social security numbers, or other documentation reasonably satisfactory to LEDC, which shall be provided within thirty (30) days of the end of each year of the term of this Agreement;

Retain at least that number of FTE employees for another five (5) years after fulfilling the creation of said fifty (50) jobs. The term "Full Time Equivalent," as used in this Agreement, shall mean employment worked by one or more people during a calendar year that is equal to a total of at least 1,820 hours including hours associated with holidays, vacation, sick and personal time, and overtime; and

- (f) Keep current in the payment of taxes owed for the Facility to any taxing jurisdiction in which the 5.43 acre tract is located, unless such taxes are being legally contested by CROP ONE.

Section 5. Termination and Recapture

- (a) Subject to the curative rights available to CROP ONE under this Agreement, in the event that CROP ONE begins operating its business at the Facility but subsequently discontinues such operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event CROP ONE shall be required to repay to LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that CROP ONE shall not be required to repay such monies if such discontinuation of operations is caused by force majeure or is due to a "Business Interruption Exception." For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, or civil unrest, and "Business Interruption Exception" shall be defined as a taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the CROP ONE illegal or economically unsustainable, is beyond the reasonable control of CROP ONE and LEDC agrees in the exercise of its reasonable judgment that continued or renewed operations are economically unsustainable or the failure of LEDC to perform any of its obligations contained in Section 3 hereof. Furthermore, CROP ONE shall not be required to repay such amounts so long as it is diligently taking action(s) to renew or continue operations at the Facility and such action(s) are considered diligent by the LEDC in the exercise of its reasonable judgment.
- (b) Subject to the curative rights available to CROP ONE under this Agreement, in the event, that CROP ONE shall fail to repay LEDC within thirty (30) days of the

date such repayment is due according to the written demand from LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE. The burden shall be upon CROP ONE to prove to the satisfaction of LEDC that the discontinuance of operating its business or diligent actions to renew or continue operations was allowed under Item 5(a) above. In the event CROP ONE meets this burden and LEDC, in its reasonable judgment, is satisfied that the discontinuance of the operation of the manufacturing facility was allowed under Item 5(a), the parties shall commemorate such satisfaction in a document signed and dated by the Parties. CROP ONE shall then have a period of one (1) year from the date operations of its business were discontinued in which to resume business operations.

- (c) Subject to the curative rights available to CROP ONE under this Agreement, in the event, that following a Business Interruption Exception which may reasonably be cured within one year of the cessation of business operations, business operations fail to resume within one (1) year, CROP ONE shall be required to repay LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following the expiration of the one year period. In the event, that CROP ONE shall fail to timely repay LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE.
- (d) In the event, that CROP ONE allows ad valorem taxes owed to the City on the Property, or its business personal property or inventory to become delinquent and fails to pay such sums after receipt of sixty (60) or more days notice of such delinquency from LEDC, CROP ONE shall be required to repay LEDC any monies expended by LEDC under Section 3 of this Agreement within thirty (30) days of written demand therefore following such event, except that CROP ONE shall not be required to pay any monies to LEDC or otherwise be considered in default of this Agreement if it challenges any such taxes or assessments by the institution of appropriate legal proceedings, including, without limitation, administrative proceedings. In the event, that CROP ONE shall fail to timely repay LEDC, CROP ONE hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CROP ONE.
- (e) In the event that CROP ONE fails to employ a minimum of fifty (50) Full Time Equivalent ("FTE") employees having an average annual wage of at least \$35,000 within the first five (5) years from the commencement of the term of this Agreement according to the schedule provided in Item 4(e) above, or fails to retain at least that number of FTE employees for another five (5) years after fulfilling the creation of said fifty (50) jobs, CROP ONE shall reimburse LEDC the sum of \$9,821.00 for each job that is less than the total required in a year or for which the average annual wage paid is less than \$35,000.00. LEDC and CROP ONE acknowledge that employee turnover and local labor shortages may cause CROP ONE to fail to meet or retain the minimum number of jobs during one or more years of the term of this Agreement, and CROP ONE shall not be

required to reimburse LEDC said amount for a job that is or becomes vacant and which CROP ONE is unable to fill for a period of three (3) months or more despite its reasonable and documented efforts to do so.

Section 6. Certification of Compliance by CROP ONE

On or before March 1 of each year that this Agreement is in effect, CROP ONE shall, upon written request from LEDC and in addition to any other reports to LEDC required in this Agreement, certify in writing to LEDC that it is in compliance with all provisions of this Agreement. Such certification shall include any and all documentation reasonably required by LEDC establishing that CROP ONE has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law, subject to the limitations set forth above. LEDC, upon reasonable notice and at any reasonable time, shall have the right to review any and all records directly pertaining to the FTE positions created or retained payment of taxes due the City of Lockhart, and use or distribution of and direct incentives received.

LEDC for itself, employees and contractors, shall keep strictly confidential any and all information about employees or other individuals employed at the Facility as a result of information provided to, or inspected by, LEDC in connection with the administration of this Agreement under Section 6 hereof or otherwise, subject to action otherwise required by state law or a court of competent jurisdiction and last resort in the case of an appeal. It is expressly understood that all such information obtained by LEDC is for the limited purpose of verification of CROP ONE's compliance under this Agreement. LEDC shall ensure the confidentiality of such information and shall take all measures necessary to protect the same against disclosure. Furthermore, LEDC shall comply with all reasonable instructions of CROP ONE to maintain the confidentiality of such information.

LEDC for itself, employees and contractors, shall further keep strictly confidential all information obtained by, or furnished to, LEDC in connection with the Facility and the business affairs of CROP ONE that are designated in writing as confidential or proprietary by CROP ONE. Notwithstanding anything contained herein to the contrary, CROP ONE shall not be required to furnish to LEDC or to any other applicable governmental body information which CROP ONE, in its reasonable judgment, considers a trade secret or proprietary, including, without limitation, software, equipment, production processes, customer lists, intellectual property, or other information considered proprietary and confidential by separate agreements with third parties. In the event that LEDC receives a request for information or records in the possession of LEDC about the Facility or CROP ONE's business affairs under the Texas Public Information Act, LEDC shall timely both request a ruling from the Texas Attorney General that such information or records may be withheld from disclosure and shall promptly furnish written notice of such request to CROP ONE in order that CROP ONE shall have the opportunity to brief the Attorney General regarding such information or records or to otherwise challenge such request prior to disclosure.

Section 7. Dispute Resolution, Applicable Law, Venue, and Attorneys Fees

- (a) In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator agreed to by the parties. LEDC and CROP ONE expressly waive any statutory or other legal requirement that may exist for serving notices or engaging in alternative dispute resolution prior to doing so.
- (b) In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas. Venue shall lie in Caldwell County, Texas. The prevailing party in any litigation arising out of this Agreement shall be entitled to recover its reasonable and necessary costs and attorney's fees from the non-prevailing party pursuant to applicable law.
- (c) In the event that CROP ONE fails to perform any monetary obligation contained herein within sixty (60) days after receipt of written notice specifying the particulars of the default, or fails to perform any non-monetary obligation contained herein within a reasonable time period after receipt of written notice specifying the particulars of such default so long as CROP ONE commences and diligently prosecutes the curing of such default within the reasonable time period, then CROP ONE shall be deemed to be in default of this Agreement and LEDC shall be entitled to enforce all rights and remedies at law or in equity against CROP ONE. The curative rights stated in the immediately preceding sentence shall complement all other curative rights expressly stated in this Agreement.

Section 8. Entire Agreement

This Agreement, when executed, contains the entire agreement between LEDC and CROP ONE with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and CROP ONE.

Section 9. Successors and Assigns

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, except that CROP ONE shall be entitled to assign its rights and interest contained in this Agreement without such written consent of the LEDC provided that such assignment does not release CROP ONE from liability under this Agreement and such assignment will not prejudice the interests of LEDC and is to an affiliate, parent or subsidiary of CROP ONE, a party to whom such assignment is required in order to secure funding or financing of the Facility and project, or such transfer is a sale of the business or project and both will continue in the ordinary course of business. In the event of such assignment or in the event of legal succession of CROP ONE interest in this

Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

CROP ONE:

Chief Financial Officer
2076 Zanker Road
San Jose, CA 95131

Lockhart Economic Development Corporation:

President
Lockhart Economic Development Corporation
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

LEDC and CROP ONE agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 14. Representations and Warranties of LEDC.

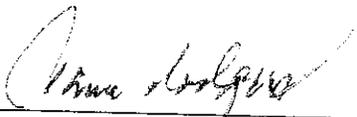
LEDC hereby represents warrants and covenants that:

- (a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.
- (b) The Facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.
- (c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

I

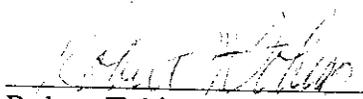
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 6th day of August, 2018.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:



Vance Rodgers, LEDC President

ATTEST:



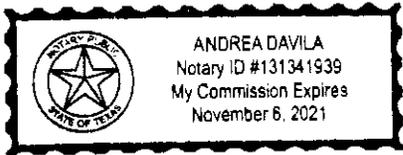
Robert Tobias, LEDC Secretary

CROP ONE HOLDINGS, INC.:

Dave Vosburg, Chief Financial Officer

State of Texas §
 §
County of Caldwell §

The foregoing instrument was acknowledged before me this 17th day of November, 2018, by Vance Rodgers, known to me to be the President of the Lockhart Economic Development Corporation of Lockhart, Texas on behalf of that corporation.



Andrea Davila
Notary Public State of Texas

My Commission expires:
November 6, 2021

State of Texas §
 §
County of _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Dave Vosburg, known to me to be the Chief Financial Officer of CROP ONE HOLDINGS, INC., a Texas Limited Liability Corporation, acting on behalf of such corporation.

Notary Public State of Texas

My Commission expires:

POTENTIAL VALUE OF INCENTIVES PACKAGE
PROSPECT: PROJECT SOAR
APPROVED BY LEDC ON May 21, 2018

Incentives to locate \$15 million project to Lockhart with 50 FTE jobs with an average annual wage of \$35,000; total payroll of \$1.75 million

LEDC INCENTIVES PROPOSED:	INCENTIVE AMOUNTS UP TO:
* Reimburse company for purchase of 5 acres of land adjacent to SH 130 frontage north bound just north of railroad line including surveying, subdividing, and legal fees	\$392,040
** Reimburse impact, building/inspection fees, water/sewer taps	\$59,009
Transformers (with proof of cost to company)	\$40,000
LEDC INCENTIVES PROPOSED UP TO:	\$491,049

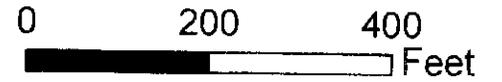
* LEDC will reimburse company 50% of \$491,049 upon proof of \$10 million facility investment and issuance of a Certificate of Occupancy; reimbursement is % ratio based on investment

**Remainder of \$491,029 to be reimbursed upon proof of new jobs creation; reimbursement is % ratio base on job creation

All above potential incentives approved by LEDC on 5-21-2018 but subject to final approval by City Council

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Concept Draft



Legend

- Rail Road
- - - Utility Easements
- - - Access Easement
- ▭ Property Boundary

LOT
1

5.43 Acres

LOT
2

13.682 Acres

Private Access
Easement

16' P.U.E.

Needed 15' P.U.E.

Existing 15' P.U.E.

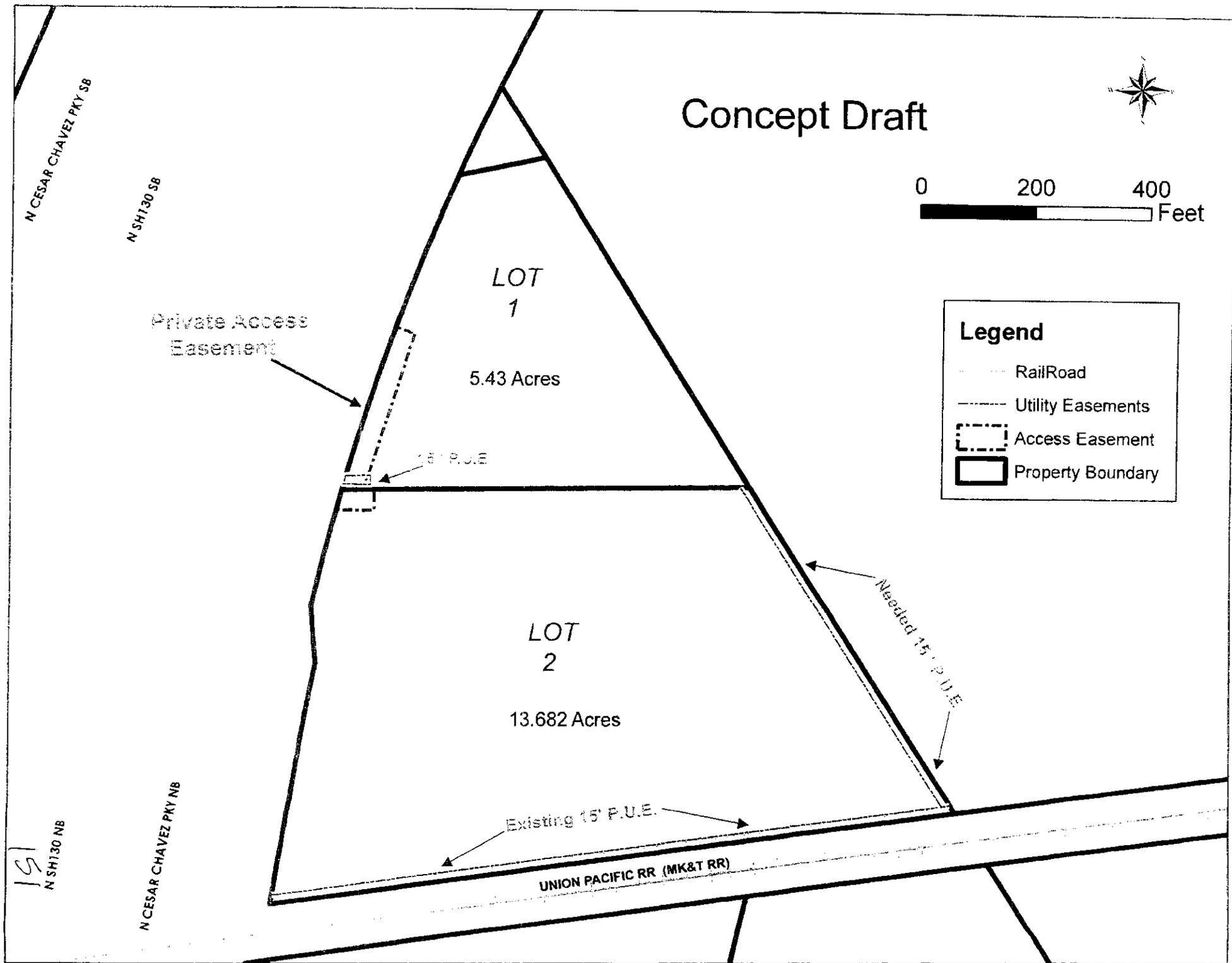
UNION PACIFIC RR (MK&T RR)

N CESAR CHAVEZ PKY SB

N SH130 SB

151
N SH130 NB

N CESAR CHAVEZ PKY NB





**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY	Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: August 21, 2018			
Department: Economic Development		Initials	Date
Department Head: Robert Tobias		Asst. City Manager	
Dept. Signature: <i>Robert Tobias</i>		City Manager	
		<i>ve</i>	<i>8-17-2018</i>
Agenda Item Coordinator/Contact (include phone #): Robert Tobias (512) 376-0856			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input type="checkbox"/> OTHER			
CAPTION			
Discussion and/or action regarding Resolution 2018-14 approving a Type B project under Section 4B of the Texas Economic Development Corporation Act of 1979, as amended, approving the purchase by the LEDC of 13.682 acres from Centerpoint Business Park East for \$1.50 per square foot along the east frontage road of SH-130 just north of the railroad and to secure sufficient funds for the purchase of this property and to construct an access easement to satisfy the requirements of the minor plat process on which to attract the expansion of Project Soar (Crop One Holdings) and other industrial users. (SECOND READING)			
FINANCIAL SUMMARY			
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED			
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS
			TOTALS
Budget			\$0.00
Budget Amendment Amount			\$0.00
Encumbered/Expended Amount			\$0.00
This Item			\$0.00
BALANCE	\$0.00	\$0.00	\$0.00
FUND(S): LEDC			
SUMMARY OF ITEM			
On August 6, 2018, the LEDC board approved and authorized the President to negotiate the purchase of 13.682 acres of land from Centerpoint Business Park East to allow for the expansion of Project Soar (Crop One Holdings) as outlined in the revised Performance Agreement, and to prepare to attract other industrial users.			
STAFF RECOMMENDATION			
Staff respectfully recommends approval of Resolution 2018-14 as presented.			
List of Supporting Documents: Resolution 2018-14, draft minutes of August 6 LEDC board meeting, concept plat		Other Departments, Boards, Commissions or Agencies: Lockhart Economic Development Corporation	

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RESOLUTION NO. 2018-14

A RESOLUTION OF THE LOCKHART CITY COUNCIL APPROVING THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION TO MOVE FORWARD WITH THE PURSUIT OF FUNDING FOR THE ACQUISITION OF A 13.862 ACRE PARCEL AND REQUIRED INFRASTRUCTURE FOR THE DEVELOPMENT OF AN INDUSTRIAL PARK UNDER THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR INFRASTRUCTURE IMPROVEMENTS THAT ARE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF FACILITIES TO PROMOTE OR DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES, AND TO CREATE AND MAINTAIN NEW JOBS

WHEREAS, the Lockhart Economic Development Corporation (“LEDC”) is a Type B corporation created and operated pursuant to the Texas Economic Development Act of 1979, as amended (“the Act”); and

WHEREAS, the Act provides for the funding of certain projects for the development, retention, or expansion of facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, create or retain jobs within the state, promote new or expanded business development, and construct infrastructural improvements for new or expanded business enterprises; and

WHEREAS, LEDC approved a project named PROJECT SOAR (CROP ONE HOLDINGS) after proper public notice and a public hearing on August 6, 2018; and

WHEREAS, the LEDC has determined that this investment (a) meets the requirements for a project under the Act; (b) serves as a public purpose by contributing to the development, retention, or expansion facilities, including expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, and to the creation or retention of jobs within the City, County and State; and (c) should be approved and funded.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART CITY COUNCIL THAT:

SECTION 1. The facts and findings described in the preamble of this resolution are incorporated herein as if fully set out.

SECTION 2. The infrastructure improvements, project costs and other associated development costs are HEREBY APPROVED as follows:

The LEDC shall pay up to \$1.50 per square foot for 13.862 acres and install access easement infrastructure estimated at \$200,000 and other related development costs subject to the

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conditions as set out in Exhibit A Economic Development Performance Agreement attached hereto and in Chapters 501, 504, and 505 of the Texas Economic Development Corporation Act of 1979.

PASSED AND ADOPTED at a meeting of the Lockhart City Council held on this _____ day of _____, 2018.

City of Lockhart

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC
City Secretary

Peter Gruning, City Attorney

Motion to approve the sale of Lot 4B, 1.806 acre tract in the Lockhart Industrial Park II at the price of \$75,241 to Hill Country Foodworks, Inc. for expansion of the existing business with creation of new jobs.

Motion: Alfredo Munoz Second: Morris Alexander Vote: 6 of 6 to approve

EXECUTIVE SESSION in accordance with the provisions of the Government Code, Title 5, Subchapter D, Section 551.072 to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Open Executive Session at: 6:31 P.M.

- 5. A. Discussion to consider the purchase of 13.682 acres along SH-130 for the development of an industrial park.

Close Executive Session at: 6:47 P.M.

6. **OPEN SESSION**

- A. Discussion and/or action to consider the purchase of 13.682 acres along SH-130 for the development of an industrial park.

Motion to authorize Vance Rodgers, LEDC President, to purchase 13.682 acres for \$1.50 per square foot along east frontage road of SH-130 just north of the railroad and further to secure funds for the purchase and to construct an access easement to satisfy the requirements of the simple plat process for the development of an industrial park

Motion: Alfredo Munoz Second: Morris Alexander Vote: 6 of 6 to approve

7. **DISCUSSION ONLY**

- A. Overview of Tax Increment Financing District and its potential impact on facilitating developments throughout the City.

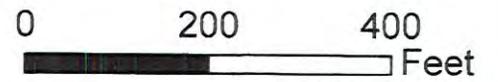
Presentation regarding the development of a Tax Increment Financing district.

8. **ADJOURN**

Motion to adjourn:

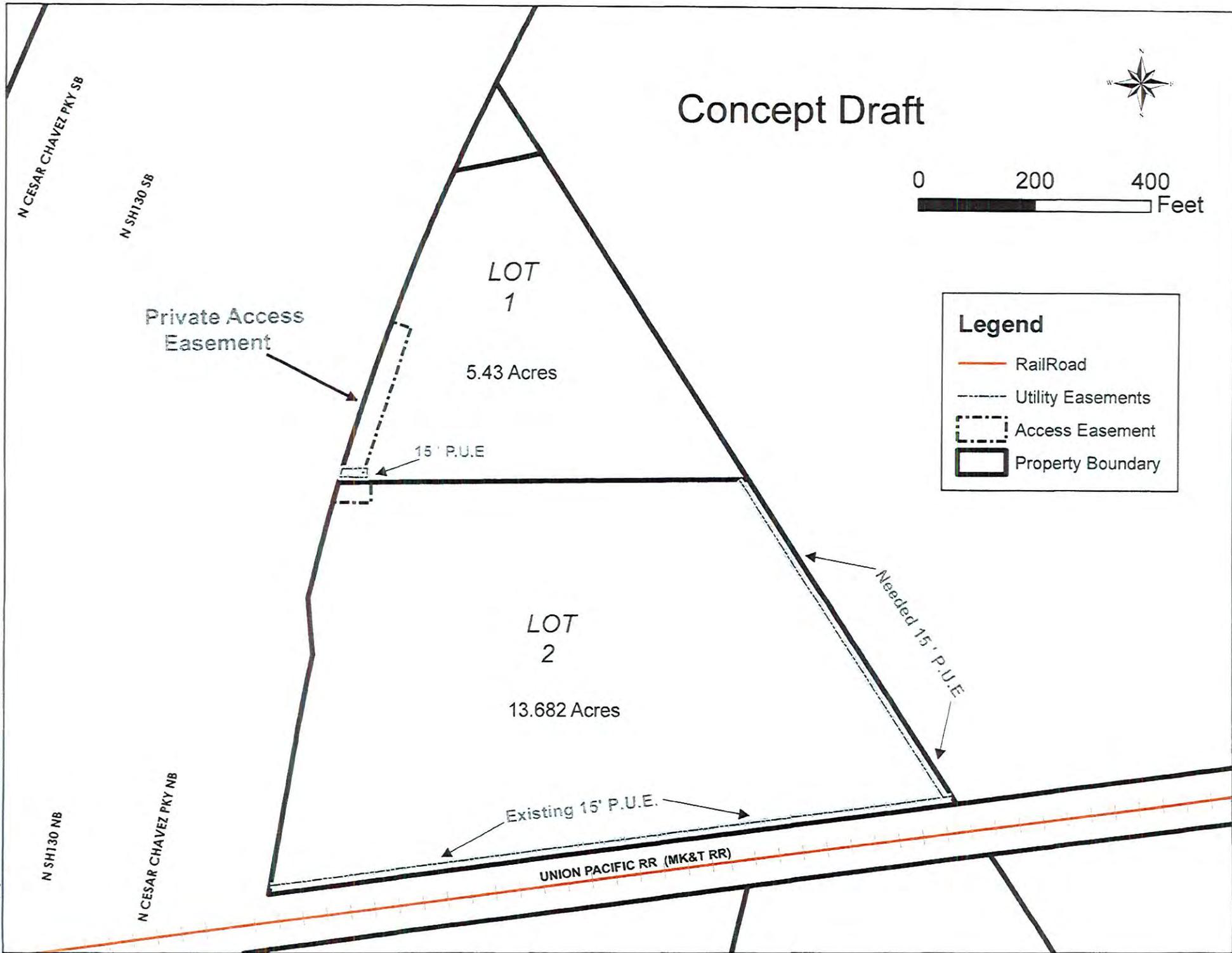
Motion: Alfredo Munoz Second: Nic Irwin Vote: 6 of 6

Concept Draft



Legend

- RailRoad
- Utility Easements
- Access Easement
- Property Boundary



0/91



Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance <input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable Reviewed by Legal <input type="checkbox"/> Yes <input type="checkbox"/> Not Applicable		
Council Meeting Dates: August 21, 2018			
Department: City Manager		Initials	Date
Department Head: Vance Rodgers	Asst. City Manager		
Dept. Signature: <i>Vance Rodgers</i>	City Manager	<i>VR</i>	8-15-2018
Agenda Item Coordinator/Contact (include phone #): Vance Rodgers			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input checked="" type="checkbox"/> OTHER			
CAPTION			
Discussion and/or action after update by City Manager regarding the Guadalupe-Blanco River Authority (GBRA) long term water supply, the payment schedule for the initial revenue bond issuance by GBRA, the associated land lease costs, maintenance/operational costs, and how he recommends that they be funded			
FINANCIAL SUMMARY			
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED			
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS
TOTALS			
Budget			\$0.00
Budget Amendment Amount			\$0.00
Encumbered/Expended Amount			\$0.00
This Item			\$0.00
BALANCE	\$0.00	\$0.00	\$0.00
FUND(S):			
SUMMARY OF ITEM			
City Manager to provide update regarding current costs and proposed funding for the long term water supply agreement with Guadalupe-Blanco River Authority. He will provide data showing the payment schedule for the initial revenue bond issuance by GBRA, the associated land lease costs, maintenance/operational costs, and how he recommends that they be funded.			
STAFF RECOMMENDATION			
City Manager respectfully recommends approval of the GBRA initial revenue bond issuance payment schedule, property lease costs, maintenance/operational costs, and the proposed methods to fund those costs			
List of Supporting Documents: Packet: Components of New Water Costs		Other Departments, Boards, Commissions or Agencies:	



COMPONENTS OF NEW WATER COSTS

AUG 2018

COMPONENTS OF NEW WATER COSTS

2018

*LAND LEASE	DEBT AND INTEREST	OPER & MAINT
\$70 per acre-foot per year begins Jan 2019	Varies Based on Payments begin 8-15-2023	\$600 per acre-foot per year begins at delivery 2023
Funding: Water Consumption Rates **\$0.60 /1,000 gals	Funding: Water Base Rate ***Development Fee \$1.00-\$1.50 /\$1,000 gals	Funding: Water Consumption Rates \$1.80 / 1,000 gals
Effective Rate Increase Date 10-1-2018	Effective Rate Increase Date 10-1-2018	Effective Rate Increase Date 10-1-2022

Note: An acre-foot of water is 325,851 gals

Potential is up to 3,000 acre-feet per year

* Subject to Annual CPI adjustment

** Could increase to \$0.90 per 1,000 in Oct, 2019, but should decrease when water delivery begins

*** Increases each year in Oct. (See Schedule)

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NEW WATER DEBT
BASED ON FIRST BOND ISSUANCE
8-21-2018

OLD

Net Debt Service
 Guadalupe Blanco River Authority
 City of Lockhart Portion
 GBRA-AWRA Project No Water Swap 80% Board Participation and 20% Low Interest
 Assumes 2017 SWIRFT Rates Plus 0.00%
 Capitalized Interest Through 8/15/2022 For Low Interest Loans

20%

Period Ending	Principal	Interest	Total Debt Service	Interest Deferral	Coverage	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
8/15/2022		\$ 909,302	\$ 909,302	\$ (776,771)			\$ 132,531	
8/15/2022		1,152,636	1,152,636	(984,639)			167,997	
8/15/2023	\$ 175,000	1,152,636	1,327,636	(984,639)	\$ 132,764			\$ 475,761
8/15/2024	176,000	1,151,148	1,327,148	(787,711)	132,715			672,152
8/15/2025	178,000	1,149,459	1,327,459	(787,711)	132,746			672,494
8/15/2026	180,000	1,147,501	1,327,501	(689,247)	132,750			771,004
8/15/2027	182,000	1,145,287	1,327,287	(590,783)	132,729			869,232
8/15/2028	184,000	1,142,848	1,326,848	(443,087)	132,685			1,016,445
8/15/2029	187,000	1,140,125	1,327,125	(295,392)	132,712			1,164,446
8/15/2030	190,000	1,137,170	1,327,170	(147,696)	132,717			1,312,191
8/15/2031	193,000	1,133,978	1,326,978		132,698			1,459,676
8/15/2032	197,000	1,130,408	1,327,408		132,741			1,460,148
8/15/2033	201,000	1,126,350	1,327,350		132,735			1,460,084
8/15/2034	205,000	1,121,827	1,326,827	926,811	132,683			2,386,320
8/15/2035	210,000	1,116,846	1,326,846	926,811	132,685			2,386,341
8/15/2036	216,000	1,111,533	1,327,533	926,811	132,753			2,387,096
8/15/2037	221,000	1,105,895	1,326,895	926,811	132,689			2,386,395
8/15/2038	227,000	1,099,972	1,326,972	926,811	132,697			2,386,480
8/15/2039	234,000	1,093,775	1,327,775	926,811	132,778			2,387,363
8/15/2040	240,000	1,087,293	1,327,293	926,811	132,729			2,386,833
8/15/2041	1,571,000	1,080,549	2,651,549		265,155			2,916,704
8/15/2042	1,625,000	1,026,218	2,651,218		265,122			2,916,340
8/15/2043	1,683,000	967,485	2,650,485		265,049			2,915,534
8/15/2044	1,744,000	906,304	2,650,304		265,030			2,915,335
8/15/2045	1,808,000	842,895	2,650,895		265,089			2,915,984
8/15/2046	1,874,000	776,992	2,650,992		265,099			2,916,091
8/15/2047	1,943,000	706,857	2,649,857		264,986			2,914,843
8/15/2048	2,017,000	634,121	2,651,121		265,112			2,916,233
8/15/2049	2,092,000	558,777	2,650,777		265,078			2,915,855
8/15/2050	2,170,000	480,823	2,650,823		265,082			2,915,906
8/15/2051	2,251,000	399,950	2,650,950		265,095	\$ 332,478		2,583,567
8/15/2052	1,991,000	317,585	2,308,585		230,858			2,539,443
8/15/2053	2,066,000	242,524	2,308,524		230,852			2,539,377
8/15/2054	2,143,000	164,636	2,307,636		230,764			2,538,399
8/15/2055	2,224,000	83,845	2,307,845		230,784	1,555,294		983,336
	\$ 32,798,000	\$ 31,545,549	\$ 64,343,549	\$ 0	\$ 6,228,161	\$ 1,887,771	\$ 300,528	\$ 68,383,410

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Guadalupe Blanco River Authority
 Projected Debt Service for the City of Lockhart SWIRFT

Period Ending	Projected Series 2018 SWIRFT August 1, 2018 Rates	
	Net Debt Service ⁽¹⁾	
8/15/2019		
8/15/2020		
8/15/2021	\$	32,370
8/15/2022		64,740
8/15/2023		175,525
8/15/2024		416,201
8/15/2025		452,915
8/15/2026		498,454
8/15/2027		549,341
8/15/2028		599,981
8/15/2029		626,078
8/15/2030		621,937
8/15/2031		762,917
8/15/2032		903,533
8/15/2033		903,893
8/15/2034		903,893
8/15/2035		903,585
8/15/2036		902,932
8/15/2037		901,991
8/15/2038		766,332
8/15/2039		1,015,197
8/15/2040		1,008,731
8/15/2041		1,006,979
8/15/2042		1,009,661
8/15/2043		1,011,094
8/15/2044		1,011,261
8/15/2045		1,010,096
8/15/2046		1,013,133
8/15/2047		1,009,195
8/15/2048		1,009,457
8/15/2049		711,231
8/15/2050		714,303
8/15/2051		710,651
8/15/2052		711,503
8/15/2053		711,121
8/15/2054		
8/15/2055		
8/15/2056		
	\$	24,650,229

*New
First Issuance*

(1) Net Debt Service includes the 1.10 times debt service coverage.

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Vance Rodgers

From: Darrell Nichols <dnichols@gbra.org>
Sent: Friday, August 03, 2018 2:59 PM
To: Vance Rodgers
Cc: Anne Burger Entekin (HTS); Tom Spurgeon; Randy Staats; Alvin Schuerg
Subject: Carrizo Project Update 8-3-2018

Vance,

The Texas Water Development Board (TWDB) approved GBRA's funding request for the Carrizo Project that includes closings over multiple years and payment deferrals from capitalized interest, Deferred Financing, and Board Participation. In preparing for its \$2 billion bond sale, the TWDB yesterday provided its anticipated lending scale to each of the SWIFT participants including GBRA. We are scheduled to close on the first installment of funds from the TWDB on November 15th and are reviewing the draft schedules from the TWDB. We will provide you on Tuesday a proposed schedule for the City's share of the debt service on that first installment. As you will see on Tuesday, there will be no debt service costs in FY 2019 based on the structure requested by the City. We will also work with the City in the coming months to ensure that continuing disclosure requirements are met prior to closing.

Finally, I wanted to confirm that GBRA will commence billing the City in January of 2019 for one-twelfth of the Water Charge which represents GBRA's lease payments to the landowners as well as an amount for anticipated groundwater district fees. The annual Water Charge will be \$70 per acre-foot which will be \$210,000 for the City. This is less than the \$200 per acre-foot originally discussed as a budget place holder.

If you have any questions, please do not hesitate to contact me at 830-379-5822 or by cell phone at 512-917-6065. I look forward to continuing to work with the City, you, and the new city manager to develop this project.

Darrell Nichols

Senior Deputy General Manager
Guadalupe-Blanco River Authority

[933 East Court Street](#)

[Seguin, Texas 78155](#)

[830-379-5822](#) – office

[512-917-6065](#) – cell

dnichols@gbra.org

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Current Water Debt

Water Fund		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	DEBT
2006A Tax & Rev CO's	7.00%	20,164	20,157	20,122	20,408 ✓															80,850
2009 GO Refunding	86.69%	106,239																		106,239
2015 Tax & Revenue	49.60%	486,918	486,322	486,917	487,413	644,248	644,496	642,909	643,207	643,331	644,223	644,670	664,510	663,468	663,778	662,842	663,822	663,406	664,800 ✓	11,101,180
2016 GO Refunding	21.81%	49,849	101,103	105,247	102,919	191,435	194,357	192,833	194,371	196,159	195,418	197,686 ✓	-	-	-	-	-	-	-	1,721,377
2013 SIB Loan	35.80%	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	1,322,816
Total Water Fund P & I		745,745	690,258	694,962	693,416	918,359	921,529	918,418	920,254	922,166	922,317	925,032	747,186	746,144	746,454	745,518	746,498	663,406	664,800	14,332,462

h91

8/2018

DOES NOT INCLUDE LEASE PYMTS **LONG RANGE WATER SUPPLY: PROPOSED FUNDING PLAN FOR DEBT (PRESENTED TO COUNCIL 8-21-2018)**

Long Term Water Pymts Due	Notes	***** Est Debt Pymt AUG 2018 SCHEDULE: FIRST ISSUANCE- MORE ISSUANCES TO COME	Less Debt Retiring	NET EXPENSE	OTHER ANNUAL INCR WITH WATER DEVELO FEE	RES ANNUAL INCR WITH WATER DEVELO FEE	Total By Year	Water Develo Fee Balance Less Net Debt Pymt Due	# OF ACCTS WITH 1.7 TO 2% GROWTH	OTHER ACCTS DEVELO FEE ADD TO BASE	RES ACCTS DEVELO FEE ADD TO BASE	NEW OTHER BASE PLUS DEVELOP FEE	NEW RES BASE PLUS DEVELOP FEE	OTHER % INCR PER YEAR	RES % INCR PER YEAR
9/30/2017	ACTUAL								4823			32.83	22.10		
9/1/2018															
10/1/2018					7380	25740	33120	33120	4905	1.0	0.5	33.83	22.60	3.0%	2.3%
8/15/2019					11070	52481	63551	96670	4988	1.50	1	34.33	23.10	1.5%	2.2%
8/15/2020					14760	80247	95007	191678	5073	2	1.5	34.83	23.60	1.5%	2.2%
8/15/2021		32,370		32,370	22140	109066	131206	290514	5159	3	2	35.83	24.10	2.9%	2.1%
8/15/2022	LESS 2006A CO \$20408 Retired	64,740	(20,408)	44,332	29520	166757	196277	442459	5247	4	3	36.83	25.10	2.8%	4.1%
8/15/2023	Delivery 1,500 acft begins	175,525	(20,408)	155,117	36900	226624	263524	550866	5336	5	4	37.83	26.10	2.7%	4.0%
8/15/2024	Reduce LuLoc Take	416,201	(20,408)	395,793	44280	288723	333003	488076	5427	6	5	38.83	27.10	2.6%	3.8%
8/15/2025		452,915	(20,408)	432,507	44280	294259	338539	394107	5519	6	5	38.83	27.10	0.0%	0.0%
8/15/2026		498,454	(20,408)	478,046	51660	359866	411526	327587	5613	7	6	39.83	28.10	2.6%	3.7%
8/15/2027		549,341	(20,408)	528,933	51660	366737	418397	217051	5709	7	6	39.83	28.10	0.0%	0.0%
	2016 GO REF LAST PYMT \$197,686 Allow 1/2 savings for Future Bonds and increased debt	599,981	(119,251)	480,730	51660	373724	425384	161705	5806	7	6	39.83	28.10	0.0%	0.0%
8/15/2028		626,078	(119,251)	506,827	59040	444302	503342	158219	5904	8	7	40.83	29.10	2.5%	3.6%
8/15/2029	\$450,000 LuLoc Pymt Last See note														
8/15/2030	below	621,937	(119,251)	502,686	59040	452733	511773	167306	6005	8	7	40.83	29.10	0.0%	0.0%
	LULO Water Stops/Water Wells Still in Service:425 acft+ Delivery 2,000 Acft \$450,000 savings Allow half of savings for Future Bonds and increased debt	762,917	(344,251)	418,666	59040	461308	520348	268988	6107	8	7	40.83	29.10	0.0%	0.0%
8/15/2032		903,533	(344,251)	559,282	59040	470028	529068	238774	6211	8	7	40.83	29.10	0.0%	0.0%
8/15/2033	SIB LAST PAYMT \$82,676	903,893	(344,251)	559,642	59040	478897	537937	217068	6316	8	7	40.83	29.10	0.0%	0.0%
8/15/2034	Delivery 2,500 acft begins	903,893	(426,927)	476,966	59040	489508	548548	288650	6442	8	7	40.83	29.10	0.0%	0.0%
	2015 CO LAST PYMT \$664,800 Allow 3/4 of savings for Future Bonds and increased debt	903,585	(510,019)	393,566	36900	285904	322804	217888	6571	5	4	37.83	26.10	-7.3%	-10.3%
8/15/2036		902,932	(676,219)	226,713	36900	292212	329112	320287	6703	5	4	37.83	26.10	0.0%	0.0%
8/15/2037		901,991	(676,219)	225,772	36900	298647	335547	430061	6837	5	4	37.83	26.10	0.0%	0.0%
8/15/2038		766,332	(676,219)	90,113	36900	305210	342110	682058	6974	5	4	37.83	26.10	0.0%	0.0%
8/15/2039		1,015,197	(676,219)	338,978	29520	233928	263448	606529	7113	4	3	36.83	25.10	-2.6%	-3.8%
8/15/2040		1,008,731	(676,219)	332,512	29520	239050	268570	542587	7255	4	3	36.83	25.10	0.0%	0.0%
8/15/2041		1,006,979	(676,219)	330,760	29520	244274	273794	485620	7400	4	3	36.83	25.10	0.0%	0.0%
8/15/2042		1,009,661	(676,219)	333,442	29520	249602	279122	431300	7548	4	3	36.83	25.10	0.0%	0.0%
8/15/2043		1,011,094	(676,219)	334,875	29520	255037	284557	380982	7699	4	3	36.83	25.10	0.0%	0.0%
8/15/2044		1,011,261	(676,219)	335,042	29520	260580	290100	336040	7853	4	3	36.83	25.10	0.0%	0.0%
8/15/2045		1,010,096	(676,219)	333,877	29520	266235	295755	297918	8010	4	3	36.83	25.10	0.0%	0.0%
8/15/2046		1,013,133	(676,219)	336,914	29520	272002	301522	262526	8171	4	3	36.83	25.10	0.0%	0.0%
8/15/2047	Delivery 3,000 acft begins	1,009,195	(676,219)	332,976	29520	277885	307405	236955	8334	4	3	36.83	25.10	0.0%	0.0%
8/15/2048		1,009,457	(676,219)	333,238	29520	283885	313405	217122	8501	4	3	36.83	25.10	0.0%	0.0%
8/15/2049		711,231	(676,219)	35,012	0	0	0	182110	8671			32.83	22.10	-10.9%	-12.0%
8/15/2050		714,303	(676,219)	38,084	0	0	0	144026	8844			32.83	22.10	0.0%	0.0%
8/15/2051		710,651	(676,219)	34,432	0	0	0	109594	9021			32.83	22.10	0.0%	0.0%
8/15/2052		711,503	(676,219)	35,284	0	0	0	74310	9201			32.83	22.10	0.0%	0.0%
8/15/2053		711,121	(676,219)	34,902	0	0	0	39408	9385			32.83	22.10	0.0%	0.0%
8/15/2054				-	0	0	0	39408	9573			32.83	22.10	0.0%	0.0%
8/15/2055				-	0	0	0	39408	9765			32.83	22.10	0.0%	0.0%
	EST TOTAL FIRST ISSUANCE DEBT	24,650,231													
	RETIRED DEBT ALLOWED FOR FUTURE DEBT FROM 2018-2035			\$ 822,443											

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WATER RATES

BILLING INCREASES

LONG RANGE WATER SUPPLY

COST COMPONENTS:

- DEBT
- LEASE ON 3,000 AC/FT
- OPERATIONS AND MAINTENANCE

NOTE: BASED ON INITIAL DEBT

RESIDENTIAL: DIFFERENT SIZE CUSTOMERS

AUG 2018

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70/ACFT *3,000 ACFT PER YEAR)

	2017-18	USE		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
RES-SMALL ELECTRIC	\$ 25.36							500MG								550MG			550MG	
								1,500 ACFT: \$0.9 M \$1.80 /1,000								2,000 ACFT: \$1.2 M \$2.18 /1,000			2,500 ACFT: \$1.5 M \$2.73 /1,000	
PPCD	\$ 50.38																			
WATER BASE:DEBT	\$ 29.90	3	WDF: DEBT	\$ 0.50	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
WATER LEASE \$17,500 PYMT PER MONTH STARTING 1-1-2019																				
		3	LEASE: \$70 X 3,000ACF /500MG	\$ 1.80	\$ 2.70	\$ 2.70	\$ 2.70	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80
WATER M&O		3	M&O					\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 6.54	\$ 6.54	\$ 6.54	\$ 8.19	\$ 8.19
SEWER	\$ 24.85																			
REFUSE	\$ 19.39																			
RECYCLE																				
DUF	\$ 2.50																			
TIF	\$ 6.00																			
1.5% ST	\$ 1.14																			
8.25% ST	\$ 1.60																			
8.25% ST	\$ 1.61.12			\$ 163.42	\$ 164.82	\$ 165.32	\$ 165.82	\$ 171.32	\$ 172.32	\$ 173.32	\$ 173.32	\$ 174.32	\$ 174.32	\$ 174.32	\$ 175.32	\$ 176.46	\$ 176.46	\$ 176.46	\$ 178.11	\$ 178.11
% INC TOTAL BILL: YR TO YR				1.4%	0.9%	0.3%	0.3%	3.3%	0.6%	0.6%	0.0%	0.6%	0.0%	0.0%	0.6%	0.7%	0.0%	0.0%	0.9%	0.0%
WDF= WATER DEVELOPMENT FEE																				

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70/ACFT *3,000 ACFT PER YEAR)

	2017-18	USE	Effect Date	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
RES-MED ELECTRIC	\$ 33.17		10/1/2018	10/1/2018	10/1/2019	10/1/2020	10/1/2021	500MG	10/1/2023	10/1/2024	10/1/2025	10/1/2016	10/1/2017	10/1/2028	10/1/2019	550MG	10/1/2031	10/1/2032	550MG	10/1/2034
								1,500 ACFT: \$0.9 M \$1.80 /1,000								2,000 ACFT: \$1.2 M \$2.18 /1,000			2,500 ACFT: \$1.5 M \$2.73 /1,000	
PPCD	\$ 74.06																			
WATER BASE:DEBT	\$ 29.90	5	WDF: DEBT	\$ 0.50	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
WATER LEASE \$17,500 PYMT PER MONTH STARTING 1-1-2019		5	LEASE: \$70 X 3,000ACF /500MG	\$ 3.00	\$ 4.50	\$ 4.50	\$ 4.50	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
WATER M&O		5	M&O					\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 10.90	\$ 10.90	\$ 10.90	\$ 13.65	\$ 13.65
SEWER	\$ 20.18																			
REFUSE	\$ 25.04																			
RECYCLE	\$ 5.40																			
DUF	\$ 2.50																			
TIF	\$ 6.00																			
1.5% ST	\$ 1.61																			
8.25% ST	\$ 2.07																			
8.25% ST	\$ 0.45																			
	\$ 200.38			\$ 203.88	\$ 205.88	\$ 206.38	\$ 206.88	\$ 215.38	\$ 216.38	\$ 217.38	\$ 217.38	\$ 218.38	\$ 218.38	\$ 218.38	\$ 219.38	\$ 221.28	\$ 221.28	\$ 221.28	\$ 224.03	\$ 224.03
% INC TOTAL BILL: YR TO YR				1.7%	1.0%	0.2%	0.2%	4.1%	0.5%	0.5%	0.0%	0.5%	0.0%	0.0%	0.5%	0.9%	0.0%	0.0%	1.2%	0.0%
WDF= WATER DEVELOPMENT FEE																				

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70/ACFT *3,000 ACFT PER YEAR)

	2017-18	USE		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
RES-LARGE ELECTRIC	\$ 55.19							500MG								550MG			550MG	
								1,500 ACFT: \$0.9 M \$1.80 /1,000								2,000 ACFT: \$1.2 M \$2.18 /1,000			2,500 ACFT: \$1.5 M \$2.73 /1,000	
PPCD	\$ 124.39																			
WATER BASE:DEBT	\$ 116.60	24	WDF: DEBT	\$ 0.50	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
WATER LEASE \$17,500 PYMT PER MONTH STARTING 1-1-2019			LEASE: \$70 X 3,000ACF																	
		24	/500MG	\$ 14.40	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60	\$ 21.60
WATER M&O		24	M&O					\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 52.32	\$ 52.32	\$ 52.32	\$ 65.52	\$ 65.52
SEWER	\$ 80.89																			
REFUSE	\$ 19.39																			
RECYCLE	\$ 5.40																			
DUF	\$ 2.50																			
TIF	\$ 6.00																			
1.5% ST	\$ 2.69																			
8.25% ST	\$ 1.60																			
8.25% ST	\$ 0.45																			
	\$ 415.10			\$ 430.00	\$ 437.70	\$ 438.20	\$ 438.70	\$ 482.90	\$ 483.90	\$ 484.90	\$ 484.90	\$ 485.90	\$ 485.90	\$ 485.90	\$ 486.90	\$ 496.02	\$ 496.02	\$ 496.02	\$ 509.22	\$ 509.22
% INC TOTAL BILL: YR TO YR				3.6%	1.8%	0.1%	0.1%	10.1%	0.2%	0.2%	0.0%	0.2%	0.0%	0.0%	0.2%	1.9%	0.0%	0.0%	2.7%	0.0%
WDF= WATER DEVELOPMENT FEE																				

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WATER RATES

BILLING INCREASES

LONG RANGE WATER SUPPLY

COST COMPONENTS:

- DEBT
- LEASE ON 3,000 AC/FT
- OPERATIONS AND MAINTENANCE

NOTE: BASED ON INITIAL DEBT

NON-RESIDENTIAL: DIFFERENT SIZE CUSTOMERS

AUG 2018

CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70AC/FT*3,000 AF PER YR)

Small Other User	2017-18	USE	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
ELECTRIC	\$ 108.58	Effec Date	10/1/2018	10/1/2019	10/1/2020	10/1/2021	500MG	10/1/2023	10/1/2024	10/1/2025	10/1/2016	10/1/2017	10/1/2028	10/1/2019	550MG	10/1/2031	10/1/2032	550MG	10/1/2034	
							1,500 ACFT: \$900,000 \$1.80 /1,000								2,000 ACFT: \$1,200,000 \$2.18 /1,000			2,500 ACFT: \$1,500,000 \$2.73 /1,000		
PPCD	\$ 160.84																			
Water Base: Debt	\$ 32.83	3	WDF: DEBT	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
			LEASE: \$70 X																	
WATER LEASE \$17,500 PYMT PER MONTH STARTING 1-1-2019		3	3,000ACF /500MG	\$ 1.80	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70	\$ 2.70
WATER M&O		3	M&O				\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 6.54	\$ 6.54	\$ 6.54
Water Aove Base																				
SEWER	\$ 19.13																			
REFUSE	\$ 42.05																			
RECYCLE																				
DUF	\$ 5.25																			
TIF	\$ 6.00																			
1.5% ST																				
8.25% ST	\$ 22.23																			
8.25% ST	\$ 3.47																			
	\$ 400.38			\$ 403.18	\$ 404.58	\$ 405.08	\$ 406.08	\$ 412.48	\$ 413.48	\$ 414.48	\$ 414.48	\$ 415.48	\$ 415.48	\$ 415.48	\$ 416.48	\$ 417.62	\$ 417.62	\$ 417.62	\$ 419.27	\$ 419.27
% INC TOTAL BILL: YR TO YR				0.7%	0.3%	0.1%	0.2%	1.6%	0.2%	0.2%	0.0%	0.2%	0.0%	0.0%	0.2%	0.3%	0.0%	0.0%	0.4%	0.0%
WDF= WATER DEVELOPMENT FEE																				

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70AC/FT*3,000 AF PER YR)

	2017-18	USE	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
Med Other User	2017-18																			
ELECTRIC	\$ 763.00						500MG								550MG			550MG		
							1,500 ACFT:								2,000 ACFT:			2,500 ACFT:		
							\$900,000								\$1,200,000			\$1,500,000		
PPCD+Demand	\$ 2,209.79						\$1.80 /1,000								\$2.18 /1,000			\$2.73 /1,000		
WATER Base: Debt	\$ 32.83	73	WDF: DEBT	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
WATER LEASE \$17,500			LEASE:																	
PYMT PER MONTH			\$70 X																	
STARTING 1-1-2019		73	3,000ACF	\$ 43.80	\$ 65.70	\$ 65.70	\$ 65.70	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80	\$ 43.80
WATER M&O		73	M&O				\$ 131.40	\$ 131.40	\$ 131.40	\$ 131.40	\$ 131.40	\$ 131.40	\$ 131.40	\$ 131.40	\$ 159.14	\$ 131.40	\$ 131.40	\$ 131.40	\$ 199.29	\$ 131.40
Water Above Base	\$ 409.65																			
SEWER	\$ 405.50																			
REFUSE	\$ 472.78																			
Secur Lights	\$ 12.50																			
DUF	\$ 5.25																			
TIF	\$ 6.00																			
1.5% ST	\$ 1.14																			
8.25% ST	\$ 38.89																			
8.25% ST	\$ 245.25																			
	\$ 4,602.58			\$ 4,647.38	\$ 4,669.78	\$ 4,670.28	\$ 4,671.28	\$ 4,781.78	\$ 4,782.78	\$ 4,783.78	\$ 4,784.78	\$ 4,784.78	\$ 4,784.78	\$ 4,785.78	\$ 4,813.52	\$ 4,785.78	\$ 4,785.78	\$ 4,853.67	\$ 4,785.78	
% INC TOTAL BILL: YR TO YR				1.0%	0.5%	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	-0.6%	0.0%	1.4%	-1.4%	
WDF= WATER DEVELOPMENT FEE																				

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70AC/FT*3,000 AF PER YR)

	2017-18	USE	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
LARGE Other User																				
ELECTRIC	\$ 263.38						500MG								550MG			550MG		
							1,500 ACFT:								2,000 ACFT:			2,500 ACFT:		
							\$900,000								\$1,200,000			\$1,500,000		
							\$1.80 /1,000								\$2.18 /1,000			\$2.73 /1,000		
PPCD	\$ 606.12																			
WATER Base: Debt	\$ 32.83	133	WDF: DEBT	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
WATER LEASE \$17.500 PYMT PER MONTH STARTING 1-1-2019		133	LEASE: \$70 X 3,000ACF /500MG	\$ 79.80	\$ 119.70	\$ 119.70	\$ 119.70	\$ 119.70	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80	\$ 79.80
WATER M&O		133	M&O				\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 239.40	\$ 289.94	\$ 289.94	\$ 289.94	\$ 363.09	\$ 363.09
Water Above Base	\$ 811.35																			
SEWER	\$ 777.56																			
REFUSE	\$ 31.14																			
RECYCLE																				
DUF	\$ 5.25																			
TIF	\$ 6.00																			
1.5% ST	\$ 71.73																			
8.25% ST	\$ 2.57																			
8.25% ST	\$ 2,607.93			\$ 2,688.73	\$ 2,729.13	\$ 2,729.63	\$ 2,730.63	\$ 2,971.03	\$ 2,932.13	\$ 2,933.13	\$ 2,933.13	\$ 2,934.13	\$ 2,934.13	\$ 2,935.13	\$ 2,985.67	\$ 2,985.67	\$ 2,985.67	\$ 3,058.82	\$ 3,058.82	\$ 3,058.82
% INC TOTAL BILL: YR TO YR				3.1%	1.5%	0.0%	0.0%	8.8%	-1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	2.5%	0.0%	
WDF= WATER DEVELOPMENT FEE																				

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CITY OF LOCKHART - LONG RANGE WATER SUPPLY FUNDING REQUIRED 8-21-2018 (LEASE IS \$70AC/FT*3,000 AF PER YR)

	2017-18	USE	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
X-LARGE Other User																			
ELECTRIC	\$ 1,126.95																		
							500MG								550MG			550MG	
							1,500 ACFT:								2,000 ACFT:			2,500 ACFT:	
							\$900,000								\$1,200,000			\$1,500,000	
							\$1.80 /1,000								\$2.18 /1,000			\$2.73 /1,000	
PPCD+DEMAND	\$ 8,683.62																		
WATER Base: Debt	\$ 32.83	813	WDF: DEBT	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
			LEASE:																
			\$70 X																
WATER LEASE \$17.500																			
PYMT PER MONTH																			
STARTING 1-1-2019		813	3,000ACF	\$ 487.80	\$ 731.70	\$ 731.70	\$ 731.70	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80
WATER M&O		813	/500MG	\$ 487.80	\$ 731.70	\$ 731.70	\$ 731.70	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80	\$ 487.80
			M&O				\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,463.40	\$ 1,772.34	\$ 1,772.34	\$ 1,772.34	\$ 2,219.49	\$ 2,219.49
Water Above Base	\$ 4,184.18																		
SEWER	\$ 3,897.19																		
REFUSE	\$ 543.93																		
RECYCLE																			
DUF	\$ 5.25																		
TIF	\$ 6.00																		
1.5% ST																			
8.25% ST																			
8.25% ST																			
	\$ 18,479.95			\$ 18,968.75	\$ 19,213.15	\$ 19,213.65	\$ 19,214.65	\$ 20,435.15	\$ 20,436.15	\$ 20,437.15	\$ 20,437.15	\$ 20,438.15	\$ 20,438.15	\$ 20,438.15	\$ 20,439.15	\$ 20,748.09	\$ 20,748.09	\$ 20,748.09	\$ 21,195.24
% INC TOTAL BILL: YR TO YR				2.6%	1.29%	0.00%	0.01%	6.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.51%	0.00%	0.00%	2.16%	0.00%
WDF= WATER DEVELOPMENT FEE																			

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Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
		Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Dates: August 21, 2018				
Department: City Manager			Initials	Date
Department Head: Vance Rodgers		Asst. City Manager		
Dept. Signature: <i>Vance Rodgers</i>		City Manager		<i>VR</i> 8-15-2018
Agenda Item Coordinator/Contact (include phone #): Vance Rodgers				
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input checked="" type="checkbox"/> OTHER				
CAPTION				
Discussion and/or action to consider approval of a Continuing Disclosure Agreement with the Guadalupe-Blanco River Authority (GBRA) in connection with the issuance of GBRA revenue bonds known as the Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2018A (Deferred Financing) and Series 2018B (Low Interest Financing) for the Carrizo Groundwater Supply Project whereby the City of Lockhart is to provide annual financial statements and other common financial information normally provided under such agreements and authorizing the Mayor to sign the agreement				
FINANCIAL SUMMARY				
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED				
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00
FUND(S):				
SUMMARY OF ITEM				
This disclosure agreement is required for the new long term water under the Gonzales Carrizo Treated Water Supply Agreement by and between GBRA and the City of Lockhart effective as of February 12, 2018, and any mutually agreed amendments thereto. Because GBRA will issue revenue bonds for the long term water project, an agreement is needed whereby the City of Lockhart is required to provide annual financial information which is common for all such bond issuances, either direct or indirectly issued.				
STAFF RECOMMENDATION				
City Manager recommends approval of the agreement as presented.				
List of Supporting Documents: Agreement, History			Other Departments, Boards, Commissions or Agencies:	

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CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (this "**Agreement**"), dated as of November 1, 2018, is executed and delivered by the GUADALUPE-BLANCO RIVER AUTHORITY ("**GBRA**") and the CITY OF LOCKHART, TEXAS (the "**Disclosure Party**"), in connection with the issuance by GBRA of revenue bonds to be known as the GUADALUPE-BLANCO RIVER AUTHORITY CONTRACT REVENUE BONDS, SERIES 2018A (DEFERRED FINANCING) and SERIES 2018B (LOW-INTEREST FINANCING) (CARRIZO GROUNDWATER SUPPLY PROJECT) (together with any additional bonds issued in the future on a parity therewith and the repayment obligations of GBRA set forth in the *Master Agreement Between Texas Water Development Board and Guadalupe-Blanco River Authority Regarding Board Participation Gonzales Carrizo Water Supply Project - Project No. 51055*, dated as of _____, 2018, and any amendment thereto, the "**Bonds**"). The Disclosure Party currently is an "obligated person" (as such term is applied within the meaning of the "Rule," as defined below) with respect to the Bonds by virtue of the Disclosure Party having entered into the Water Supply Agreement (defined below) which obligates the Disclosure Party to make certain payments to GBRA to pay debt service on the Bonds in annual amounts that equal or exceed 10% of the annual debt service requirements on the Bonds. For good and valuable consideration, GBRA and the Disclosure Party covenant and agree as follows:

SECTION 1. DEFINITIONS.

As used in this Agreement, the following terms have the meanings ascribed to such terms below:

"**EMMA**" means the Electronic Municipal Market Access system established by the MSRB.

"**MSRB**" means the Municipal Securities Rulemaking Board and any successor to its duties.

"**Rule**" means SEC Rule 15c2-12, as amended from time to time.

"**SEC**" means the United States Securities and Exchange Commission and any successor to its duties.

"**Water Supply Agreement**" means the *Gonzales Carrizo Treated Water Supply Agreement By and Between the Guadalupe-Blanco River Authority and City of Lockhart*, effective as of February 13, 2018, and any future amendments thereto.

SECTION 2. OBLIGATIONS OF DISCLOSURE PARTY TO PROVIDE CERTAIN ANNUAL REPORTS.

The Disclosure Party undertakes to and shall provide annually to the MSRB through EMMA, within six months after the end of each fiscal year commencing in or after 2018, the following information:

(i) the Disclosure Party's annual financial statement; and

(ii) other financial information and operating data pertaining to the Disclosure Party which are included and identified in the final official statement relating to a subsequent series of Bonds and/or a similar *Application for Financial Assistance* submitted by GBRA to the Texas Water Development Board, if any, and which are identified therein to be subject to continuing disclosure by the Disclosure Party.

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 as specified and included in such *Application for Financial Assistance* or as an Appendix of such final official statement relating to each series of Bonds, or such other accounting principles as the Disclosure Party may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Disclosure Party commissions an audit of such statements and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not complete within such period, then the Disclosure Party shall provide unaudited financial statements for the applicable fiscal year to the MSRB through EMMA within the period during which it must be provided and the audited financial statements, when and if the audit report on such statements become available.

If the Disclosure Party changes its fiscal year, currently ending on September 30th of each year, it will notify GBRA and the MSRB through EMMA in writing of the change (and of the date of the new fiscal year end) prior to the next date by which the Disclosure Party otherwise would be required to provide the 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 incorporated by specific reference to any document or specific part thereby (including an official statement or other offering document, if it is available from the MSRB through EMMA) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

The Disclosure Party shall, within ten (10) business days of the filings of the annual reports, notify GBRA in writing that the filings have been made.

Further, the Disclosure Party shall provide, in a timely manner, notice of any failure by the Disclosure Party to provide the annual financial statements and operating data in accordance with this Section to the MSRB through EMMA.

SECTION 3. NOTIFICATION BY GBRA OF OCCURRENCE OF CERTAIN EVENTS, IF MATERIAL.

GBRA shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Bondholders;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

SECTION 4. NOTIFICATION BY GBRA OF OCCURRENCE OF CERTAIN EVENTS, WHETHER OR NOT MATERIAL.

GBRA shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; and
9. Bankruptcy, insolvency, receivership or similar event of an obligated person

SECTION 5. LIMITATIONS, DISCLAIMERS, AND AMENDMENTS.

GBRA and the Disclosure Party shall be obligated to observe and perform the covenants specified in this Agreement for so long as, but only for so long as, the Disclosure Party remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that GBRA in any event will give notice of any deposit made that causes the Bonds no longer to be outstanding.

The provisions of this Agreement are for the sole benefit of (and may be enforced by) the bondholders and beneficial owners of the Bonds and the parties to this Agreement, and nothing in this Agreement, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. GBRA and the Disclosure Party undertake to provide only the financial information, operating data, financial statements, and notices which each has expressly agreed to provide pursuant to this Agreement and do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of GBRA's or the Disclosure Party's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Agreement or otherwise, except as expressly provided herein. Neither GBRA nor the Disclosure Party make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell the Bonds on the date hereof or at any future date.

UNDER NO CIRCUMSTANCES SHALL GBRA OR THE DISCLOSURE PARTY BE LIABLE TO THE BONDHOLDER 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 GBRA OR THE DISCLOSURE PARTY, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON THEIR PART, OF ANY COVENANT SPECIFIED IN THIS AGREEMENT, 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.

No default by GBRA or the Disclosure Party in observing or performing their respective obligations under this Agreement shall comprise a breach of or default under any resolution of GBRA authorizing the issuance of the Bonds, or any ordinance or resolution adopted by the governing body of the Disclosure Party, or any contract relating thereto, for purposes of any other provision of this Agreement.

Nothing in this Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of GBRA or the Disclosure Party under federal and state securities laws.

The provisions of this Agreement may be amended by GBRA and the Disclosure Party 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 GBRA or the Disclosure Party, but only if (1) the provisions of this Agreement, as so amended, would have permitted an underwriter to purchase or sell the 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 bondholders or beneficial owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Agreement that authorizes such an amendment) of outstanding Bonds consent to such amendment or (b) an entity that is unaffiliated with GBRA or the Disclosure Party (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the bondholders and beneficial owners of the Bonds and is permitted by the terms of the Agreement. If GBRA and the Disclosure Party so amend the provisions of this Agreement in connection with the financial or operating data the Disclosure Party is required to disclose under Section 2 hereof or GBRA is required to disclose under Sections 3 and 4 hereof, GBRA shall provide a notice of such amendment to be filed in accordance with Section 5 hereof, together with an explanation, in narrative form, of the reason for the amendment and the impact of any change in the type of financial information or operating data to be so provided. GBRA and the Disclosure Party may also amend or repeal the provisions of this 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 the Bonds in the primary offering of the Bonds.

SECTION 6. MISCELLANEOUS.

A. Representations.

Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Agreement under applicable law and any resolutions or other actions of such party now in effect, (iii) that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision,

order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party, except as disclosed in the Official Statement relating to the Bonds, is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of Bonds.

B. Governing Law.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas and applicable federal law.

C. Severability.

If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

D. Counterparts.

This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, GBRA and the Disclosure Party have each caused their duly authorized officers to execute this Agreement as of the day and year first above written.

GUADALUPE-BLANCO RIVER AUTHORITY

Chair, Board of Directors

ATTEST:

Secretary/Treasurer, Board of Directors

CITY OF LOCKHART, TEXAS

By: _____
Title: Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

Signature Page to Continuing Disclosure Agreement Relating to
Guadalupe-Blanco River Authority Contract Revenue Bonds
(Carrizo Groundwater Supply Project)

**Guadalupe Blanco River Authority
Projected Debt Service for the City of Lockhart SWIRFT**

Projected Series 2018 SWIRFT August 1, 2018 Rates	
Period Ending	Net Debt Service ⁽¹⁾
8/15/2019	
8/15/2020	
8/15/2021	\$ 32,370
8/15/2022	64,740
8/15/2023	175,525
8/15/2024	416,201
8/15/2025	452,915
8/15/2026	498,454
8/15/2027	549,341
8/15/2028	599,981
8/15/2029	626,078
8/15/2030	621,937
8/15/2031	762,917
8/15/2032	903,533
8/15/2033	903,893
8/15/2034	903,893
8/15/2035	903,585
8/15/2036	902,932
8/15/2037	901,991
8/15/2038	766,332
8/15/2039	1,015,197
8/15/2040	1,008,731
8/15/2041	1,006,979
8/15/2042	1,009,661
8/15/2043	1,011,094
8/15/2044	1,011,261
8/15/2045	1,010,096
8/15/2046	1,013,133
8/15/2047	1,009,195
8/15/2048	1,009,457
8/15/2049	711,231
8/15/2050	714,303
8/15/2051	710,651
8/15/2052	711,503
8/15/2053	711,121
8/15/2054	
8/15/2055	
8/15/2056	
\$	24,650,229

(1) Net Debt Service includes the 1.10 times debt service coverage.



Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Finance	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
		Reviewed by Legal	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Dates: August 21, 2018					
Department: City Manager			Initials	Date	
Department Head: Vance Rodgers		Asst. City Manager			
Dept. Signature: <i>Vance Rodgers</i>		City Manager		<i>VR</i>	8-15-2018
Agenda Item Coordinator/Contact (include phone #): Vance Rodgers					
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input checked="" type="checkbox"/> OTHER					
CAPTION					
Discussion and/or action after presentation by City Manager regarding proposed FY 18-19 Budgets					
FINANCIAL SUMMARY					
<input type="checkbox"/> N/A <input type="checkbox"/> GRANT FUNDS <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP <input type="checkbox"/> BUDGETED <input type="checkbox"/> NON-BUDGETED					
FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS	
Budget				\$0.00	
Budget Amendment Amount				\$0.00	
Encumbered/Expended Amount				\$0.00	
This Item				\$0.00	
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	
FUND(S):					
SUMMARY OF ITEM					
City Manager will present the proposed FY 18-19 Budgets including a Summary and more detailed Synopsis.					
STAFF RECOMMENDATION					
Council will officially vote to adopt the FY 18-19 Budget and Tax Rate on Tuesday, September 25, at 6:30 pm					
List of Supporting Documents: FY Proposed Budget-Summary and Synopsis			Other Departments, Boards, Commissions or Agencies:		

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Proposed FY 18-19 Budget

All Departments:

Summary

Synopsis

Aug 21 2018



FY 18-19 PROPOSED BUDGET: SUMMARY

FUNDS	Proposed (Updated 8-15-2018)		
	REVENUE	EXPENSE	Balance
*General Fund	\$ 10,098,400	\$ 10,098,400	\$ -
Electric	\$ 10,879,951	\$ 10,879,951	\$ -
Water	\$ 3,936,429	\$ 3,936,429	\$ -
Wastewater	\$ 2,218,390	\$ 2,218,390	\$ -
Solid Waste	\$ 1,769,652	\$ 1,715,336	\$ 54,316
Airport	\$ 75,109	\$ 41,500	\$ 33,609
**EMS	\$ 1,263,348	\$ 1,263,348	\$ -
Totals	\$ 30,241,279	\$ 30,153,354	

* Based on 4 cents increase above Effective M&O tax rate
 ** Caldwell County responsible for half of any losses and purchase of capital items

INCLUDED IN ABOVE DEPARTMENT EXPENSES

Department	New Position/Change	Cost
City Manager	Public Relations Person	\$ 50,820
City Manager	Increase for new City Manager	\$ 30,360
Animal Shelter	Animal Attendant Worker	\$ 23,938
Parks	2 Workers start mid-budget year	\$ 35,905
Maintenance Shop	1 Mechanic start mid-budget year	\$ 34,708
Streets	2 Workers start mid-budget year	\$ 36,781
General Fund Depts	3% Increase: Non-Civil Service	\$ 94,902
Police Dept	Step Pay Plan Increase	\$ 189,385
Water/Wastewater	Pay adjustment for construction skill levels	\$ 39,307
Utility Depts	3% Increase: Non-Civil Service	\$ 56,589

Total Estimate Cost	\$ 592,695
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All above posted in Incode #5 Budget 8-15-2018

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CITY OF LOCKHART
Synopsis: FY 18-19
Proposed Budget
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Tab	Departments	Adopted Budget FY 17-18	Original Dept Requested Budget FY 18-19 #2 Incode Budget	Difference Amt Between Dept Requested FY 18-19 and Adopted FY 17-18	FY 18-19 Dept Totals After City Mgr Adjustments #5 Incode Budget	Explanations includes Difference and Adjustment Notes Line Item, \$ Amount and notes. <i>Italized indicates removal</i> Health Insurance Rates Estimated at 15.0% more for all departments (HI below) Includes 3% Raise for all Non-Civil Service in Non-Dept 155
13	Mayor/Council	\$ 257,834	\$ 274,980	\$ 17,146	\$ 308,909	\$50,000 Update 20/20 Plan but no election expenses/ \$33,929 Reserve 728 S Main St
7	Appraisal Tax Office	\$ 121,433	\$ 124,663	\$ 3,230	\$ 124,663	
9	City Mgr	\$ 388,824	\$ 407,845	\$ 19,021	\$ 447,132	HI- \$3,322/ 102-\$30,360 New City Mgt Exp/ 155-\$50,820 PR Person/ 299- \$17,501 Convert scan doc employee to regular part time/ 299-\$16,000 to scan approx. 8,000 pages of construction plans
14	Econo Develop			\$ -	\$ -	
16	Finance	\$ 295,617	\$ 294,176	\$ (1,441)	\$ 294,176	HI- \$3,238
18	Info Systems	\$ 105,210	\$ 105,210	\$ -	\$ 105,210	
10	Civil Service	\$ 50,316	\$ 50,648	\$ 332	\$ 50,648	HI-\$238
12	Community Facility	\$ 10,682	\$ 10,922	\$ 240	\$ 10,922	Materials fo parking lot repairs
11	Communications	\$ 549,980	\$ 630,501	\$ 80,521	\$ 565,501	HI-\$11,126/ REMOVE 934- \$65,000 new dispatch consoles and chairs CAPCOG Grant
6	Animal Control	\$ 321,652	\$ 359,599	\$ 37,947	\$ 367,835	HI-\$14,034/ 108-\$23,938 full time admin assistant , 155-\$8,236 Wage Adj Supervisor and Animal Control Officer
22	Muni Court	\$ 250,533	\$ 263,574	\$ 13,041	\$ 263,574	HI-\$3,318/ 110-\$6,000 Asst Judge/ 502-\$ 1,500 Dues-Subscriptions/ \$13236 Materials to resurface/stripe parking lot (Change to TR 25 seal)
26	Police	\$ 2,513,406	\$ 2,904,397	\$ 390,991	\$ 2,872,919	HI-\$34,020/ 226-\$ 34,4980 software and licenses Intellichoice, ASI Maintnenace/ REMOVE 906-\$12,000 Util Vehicle/ \$24,000-VAT vehicle/ \$235,000-5 patrol units, 1 replacement and 4 new giving each officer an assigned vehicle/ 305-\$15,,708 for 16 Colt 6920 rifles and 2 glocks with accessories, 3 cars from unrestriced fund bal proposed/ 910-\$ 7,200 new security cameras/ \$189,385 Step Pay Plan Raises
17	Fire	\$ 1,273,256	\$ 1,513,424	\$ 240,168	\$ 1,265,426	HI-\$19,025/ 102-\$3,378 Increase hours of part time Admin Asst/ 322- \$1,430 Personal Protective Equipment/ 326-\$1,808 radio chargers and lapel microphones/334-\$1,775 furniture due to wear and tear/ 412-\$1,775 gas detector units/ 422-\$1,575 required testing of fire fighter equipment/ 502-\$3,255 required continuing education through subscription service/ REMOVE 906-\$290,000 mini pumper purchase and SUV replacement/ 912-\$7,400 one time expense to add cardio vascular fitness equipment to exercise room
20	Library	\$ 520,937	\$ 538,195	\$ 17,258	\$ 532,195	Hi-\$6,663/106-\$2,492 increase for part-time employee that has taken on new assignments/ 218-\$1080 World Book Online/ 334-\$1,453 indoor signs/ 310-\$1659 repair hardwood floors/ 950-\$6,000 ourdoor interchangeable signs/ 410-\$2,500 indoor painting and minor maintenance/ 721-\$1,344 Digital Magazines
29	Tech Center			\$ -	\$ -	

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24	Parks	\$ 439,205	\$ 434,094	\$ (5,111)	\$ 455,047	HI-\$24,161/ ADD 155-\$35,905 new employees with benefits and uniforms FOR SIX MONTHS
25	Planning	\$ 341,959	\$ 360,069	\$ 18,110	\$ 360,069	HI-\$4,565
19	Inspections	\$ 237,971	\$ 281,452	\$ 43,481	\$ 235,452	HI-\$2,170/ Remove 906-\$46,000 replace two 2001 small trucks USE unrestricted fund balance if approved.
27	Public Works	\$ 182,509	\$ 125,727	\$ (56,782)	\$ 125,727	HI-\$2,256
21	Maintenance	\$ 200,686	\$ 236,879	\$ 36,193	\$ 217,503	HI-\$11,868/ ADD 108, 230-\$34,708 mechanic position / 104-\$2080 reclass Lead Mechanic
8	Cemetery	\$ 111,108	\$ 104,747	\$ (6,361)	\$ 104,747	HI-\$563
28	Streets/Drainage	\$ 997,145	\$ 1,141,496	\$ 144,351	\$ 1,101,202	HI-\$28,063/ ADD 108-\$62,976 add 2 Street Repair employees./ REMOVE 911-\$24,684 eqjupment shed/ 912- \$22,000 500 gallon tack oil trailer/ 912-\$12,000 shredder batwing, part purchased this year
23	Non-Departmental	\$ 193,824	\$ 142,138	\$ (51,686)	\$ 289,543	Includes proposed 3% for non-civil service employees
	Total Expense Projected	\$ 9,364,087	\$ 10,304,736	\$ 940,649	\$ 10,098,400	
4	General Fund Revenues	\$ 6,081,936	\$ 6,363,616	\$ 281,680	\$ 6,688,068	\$ 6,667,026
4	Transfer: Electric In	\$ 2,138,000	\$ 2,038,000	\$ (100,000)	\$ 2,064,276	
4	Transfer: Water In	\$ 54,000	\$ -	\$ (54,000)	\$ -	
4	Transfer: WW In	\$ 401,000	\$ 455,000	\$ 54,000	\$ 488,724	
4	Transfer: Solid Waste in	\$ 251,701	\$ 251,701	\$ -	\$ 284,777	
4	Transfer: Transportation in	\$ 390,000	\$ 390,000	\$ -	\$ 390,000	
4	Transfer: LEDC in	\$ 38,421	\$ 44,124	\$ 5,703	\$ 44,124	
4	Transfer: Drainage in	\$ 35,000	\$ 55,000	\$ 20,000	\$ 55,000	
4	Transfer: Radio Maint.				\$ 63,003	One time transfer: 6 years of insurance, property lease, utilities difference, and management

CITY OF LOCKHART
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4	Transfer: Airport in				\$ -	
4	Transfer In Overhead	\$ 19,728	\$ 19,728	\$ -	\$ 20,428	
4	Total Rev Projected	\$ 9,409,786	\$ 9,617,169	\$ 207,383	\$ 10,098,400	
	Total Expense Projected	\$ 9,364,087	\$ 10,304,736		\$ 10,098,400	
	Balance		\$ (687,567)		\$ -	

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CITY OF LOCKHART
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31	<u>Electric Depts</u>					
31	Electric Billing	\$ 766,752	\$ 785,274	\$ 18,522	\$ 797,746	HI-\$9,661/ 218- \$6,000 software maintenance increase; 3% cont HI-\$11,601 / 3% conti / REMOVE 906-\$25,000 replace 12 yr old pickup/ 906-\$36,000 replace 15 yr old truck unit/ 910-\$65,000 repair concrete parking lot/ 911-\$180,000 replace old small primary line on S Main Street from Prairie Lea to Bee Street/ 912-\$165,000 Replace mini derrick backyard machine/ 912-\$55,000 new brush chipper/ 912-\$20,000 used forklift for safety reasons to avoid unloading heaving material by hand: Purchase priorities with Capital Fund Account
31	Electric Distribution	\$1,228,995	\$1,751,831	\$ 522,836	\$ 1,193,817	
31	Non-Departmental	\$8,716,579	\$8,961,672	\$ 245,093	\$8,888,388	1.97% Increase wholesale power purchase: More customers
31	Total Exp Budget/Projected	\$ 10,712,326	\$ 11,498,777	\$ 786,451	\$ 10,879,951	
31	Total Rev Budget/Projected	\$10,712,146	\$10,879,952	\$ 167,806	\$ 10,879,951	
	Balance		(\$618,825)		\$0	
32	<u>Water Depts</u>					
32	Water Distribution	\$1,357,977	\$1,339,507	\$ (18,470)	\$ 2,018,495	HI-\$7,488/ 3% Contingency + \$ for wage adjustments/ ADD \$664,830 for new water lease pymts and debt pymt accrual/ REMOVE 906-\$35,000 utility bid truck to replace 10 year old unit/960-\$20,000 upsizing 46% increase because of new water expense
32	Water Treatment	\$669,149	\$669,149	\$ -	\$ 701,202	4.6% Increase in operational cost
32	Non-Departmental	\$1,356,063	\$1,156,872	\$ (199,191)	\$ 1,216,732	14.5% less: debt payment went away
32	Total Expense Projected	\$3,383,189	\$3,165,528	\$ (217,661)	\$ 3,936,429	
32	Total Rev Projected	\$3,383,189	\$3,137,812		\$ 3,936,429	Includes additional lease and debt accrual funding through rate increases
	Balance	\$0	\$ (27,716)		\$ -	

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33	Wastewater Depts					
33	Wastewater Collection	\$702,333	\$538,119	\$ (164,214)	\$ 523,991	HI-\$5,943 / 3% Contingency / \$ for wage adjustments
33	Wastewater Treatment	\$697,131	\$697,131	\$ -	\$ 735,711	5.5% Operational Cost increases: chemicals/utilities
33	Non-Departmental	\$737,204	\$782,435	\$ 45,231	\$ 958,688	21.9% transfers increase to Gen Fund and Water Fund
33	Total Expense Projected	\$2,136,668	\$2,017,685	\$ (118,983)	\$ 2,218,390	
33	Total Rev Projected	\$2,136,668	\$2,265,980		\$ 2,218,390	
	Balance		\$248,295		\$0	
34	Solid Waste Depts					
34	Hand Collections	\$842,451	\$834,542	\$ (7,909)	\$ 872,361	Hi-\$2,926/ 3% Conti / 5% Contract Increase
34	Bin Collections	\$464,169	\$491,681	\$ 27,512	\$ 514,081	HI-\$1,240/499-\$1,000 bin approach repairs/5% Contract Increase
34	Recycling	\$56,618	\$40,030	\$ (16,588)	\$ 40,364	Hi-\$542/ 3% Conti/ 299-\$2,500 increase in volume hauls
34	Landfill	\$700	\$700	\$ -	\$ 700	
34	Non-Departmental	\$254,395	\$254,395	\$ -	\$ 287,830	
34	Total Expense Projected	\$1,618,333	\$1,621,348	\$ 3,015	\$ 1,715,336	
34	Total Rev Projected	\$1,618,333	\$1,763,237		\$ 1,769,652	
	Balance		\$141,889		\$54,316	
35	Airport Dept					
35	Airport	\$ 36,573	\$ 56,253	\$ 19,680	\$ 41,500	3% Conti / 440-\$7,000 crack seal material for runway and taxiway/ Employee wages assigned for oversight of airport
35	Non-Departmental			\$ -		
35	Total Expense Projected	\$ 36,573	\$ 56,253		\$ 41,500	
35	Total Rev Projected	\$73,284	\$75,109		\$ 75,109	
	Balance		\$ 18,856		\$ 33,609	

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CITY OF LOCKHART
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15	<u>EMS Dept</u>					
15	Operations				\$ 1,263,348	
15	Non-Departmental					
15	Total Expense Projected	\$ -	\$ -		\$ 1,263,348	
15	Total Rev Projected				\$ 1,263,348	Council designated \$200,000 in unrestricted fund balance toward losses at th 7-5-2018 meeting/County has budgeted \$50,000 in losses;no ambulance needed in FY 18-19
	Balance		\$ -			Cadwell County would pay half of any losses

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Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory	Reviewed by Finance	X Yes	<input type="checkbox"/> Not Applicable
	Reviewed by Legal	X Yes	<input type="checkbox"/> Not Applicable

Council Meeting Date: August 21, 2018

Department: Finance Initials Date

Department Head: Jeff Hinson Asst. City Manager

Dept. Signature: *Jeff Hinson* City Manager *[Signature]* *8-17-2018*

Agenda Item Coordinator/Contact (include phone #): Jeff Hinson, 398-3461 ext. 232

ACTION REQUESTED: ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS **OTHER**

CAPTION

Discussion and/or action regarding adoption of the 2018 combined maintenance and operation and interest and sinking proposed property tax rate for the City of Lockhart. If proposed tax rate exceeds the rollback rate or the effective tax rate (whichever is lower), a record vote must be taken to place a proposal to adopt the rate on the agenda of a future Council meeting. If motion passes, Council must schedule and announce the date, time and place of two (2) public hearings regarding the proposed tax rate.

FINANCIAL SUMMARY

X N/A GRANT FUNDS OPERATING EXPENSE REVENUE CIP BUDGETED NON-BUDGETED

FISCAL YEAR:	PRIOR YEAR (CIP ONLY)	CURRENT YEAR	FUTURE YEARS	TOTALS
Budget				\$0.00
Budget Amendment Amount				\$0.00
Encumbered/Expended Amount				\$0.00
This Item				\$0.00
BALANCE	\$0.00	\$0.00	\$0.00	\$0.00

FUND(S):

SUMMARY OF ITEM

The action taken by Council is required by the State for adherence with the Truth-In-Taxation laws. As directed by Council a record vote will need to be taken and the dates announced for the aforementioned public hearings scheduled on September 4, 2018 at 7:30 p.m. and September 18, 2018 at 7:30 p.m. in the Council Chambers located at Clark Library Annex-Council Chambers, 217 South Main Street, 3rd Floor, Lockhart, Texas.

STAFF RECOMMENDATION

City staff recommends setting the 2018 interest and sinking property tax rate at 10.76 cents/\$100 and the 2018 maintenance and operation property tax rate at 60.31 cents/\$100 and announce the public hearings scheduled on September 4, 2018 at 7:30 p.m. and September 18, 2018 at 7:30 p.m. in the Council Chambers located at Clark Library Annex-Council Chambers, 217 South Main Street, 3rd Floor, Lockhart, Texas. These recommendations will result in a 2018 property tax rate of 71.07 cents/\$100.

List of Supporting Documents: Tax Information	Other Departments, Boards, Commissions or Agencies: <i>194</i>
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**City Of Lockhart
FY 18-19 Property Tax Revenue
Different Tax Rate Assumptions**

	Effective Tax Rate	Current Tax Rate	M&O Eff Rate + New Debt	OVER THE M&O EFFECTIVE RATE				Rollback Tax Rate	5 Cent Increase
				1 Cent Increase	2 Cent Increase	3 Cent Increase	4 Cent Increase		
Selected Rate	0.6727	0.7260	0.6707	0.6807	0.6907	0.7007	0.7107	0.7157	0.7207
Less: Debt Rate	0.1076	0.1076	0.1076	0.1076	0.1076	0.1076	0.1076	0.1076	0.1076
M & O Rate per \$100 Valuation	0.5651	0.6184	0.5631	0.5731	0.5831	0.5931	0.6031	0.6081	0.6131
Certified Taxable Value	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907	\$ 565,051,907
M & O Levy	\$ 3,193,108	\$ 3,494,281	\$ 3,181,807	\$ 3,238,312	\$ 3,294,818	\$ 3,351,323	\$ 3,407,828	\$ 3,436,081	\$ 3,464,333
Collectible Revenue @ 96%	\$ 3,065,384	\$ 3,354,510	\$ 3,054,535	\$ 3,108,780	\$ 3,163,025	\$ 3,217,270	\$ 3,271,515	\$ 3,298,637	\$ 3,325,760
Freeze Levy @ 96%	\$ 468,180	\$ 474,725	\$ 467,915	\$ 469,228	\$ 470,504	\$ 471,743	\$ 472,947	\$ 473,536	\$ 474,118
Property Tax Revenue	\$ 3,533,564	\$ 3,829,235	\$ 3,522,450	\$ 3,578,008	\$ 3,633,529	\$ 3,689,013	\$ 3,744,462	\$ 3,772,174	\$ 3,799,878
Amount in proposed budget: <u>\$3,521,148</u>	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148	\$3,521,148
Difference	\$ 12,416	\$ 308,087	\$ 1,302	\$ 56,860	\$ 112,381	\$ 167,865	\$ 223,314	\$ 251,026	\$ 278,730

Consensus of
Council 8-9-18

Tax on Property Valued at:	Property Tax Scenarios								
\$ 50,000	\$ 336.35	\$ 363.00	\$ 335.35	\$ 340.35	\$ 345.35	\$ 350.35	\$ 355.35	\$ 357.85	\$ 360.35
*Increase per month				\$ 0.42	\$ 0.83	\$ 1.25	\$ 1.67	\$ 1.88	
\$ 75,000	\$ 504.53	\$ 544.50	\$ 503.03	\$ 510.53	\$ 518.03	\$ 525.53	\$ 533.03	\$ 536.78	\$ 540.53
*Increase per month				\$ 0.63	\$ 1.25	\$ 1.88	\$ 2.50	\$ 2.81	
\$ 100,000	\$ 672.70	\$ 726.00	\$ 670.70	\$ 680.70	\$ 690.70	\$ 700.70	\$ 710.70	\$ 715.70	\$ 720.70
*Increase per month				\$ 0.83	\$ 1.67	\$ 2.50	\$ 3.33	\$ 3.75	
\$ 250,000	\$ 1,681.75	\$ 1,815.00	\$ 1,676.75	\$ 1,701.75	\$ 1,726.75	\$ 1,751.75	\$ 1,776.75	\$ 1,789.25	\$ 1,801.75
*Increase per month				\$ 2.08	\$ 4.17	\$ 6.25	\$ 8.33	\$ 9.37	

*Increase per month above M&O Effective Rate

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LIST OF BOARD/COMMISSION VACANCIES

Updated: August 10, 2018

Board Name	Reappointments/Vacancies	Council member
Board of Adjustment	Nic Irwin moved to Lockhart Economic Development Corp.	Any Councilmember

APPLICATIONS RECEIVED TO BE ON A BOARD/COMMISSION

APPLICANT	BOARD REQUESTED	DATE RECEIVED	RESIDENCE DISTRICT
Rick Arnic	Lockhart Economic Development Corp. And Planning & Zoning Commission	07/03/2018	District 3

<p>The following are NOTES regarding appointments to several boards that have certain criteria that should be met, such as qualifications or number to serve on the board. Boards that are not listed below have a seven member board and are open to any citizen without qualifications.</p>	
<p>NOTES: AIRPORT ADVISORY BOARD</p>	<p>Sec. 4-26. Membership; appointments. The Lockhart Airport Advisory Board shall be composed of seven members to be appointed in accordance with section 2-210. At least five members must currently be or have been flight rated, and two members may be appointed as at-large members. Members shall serve three-year terms, such terms coinciding with the council position making the appointment.</p> <p>Sec. 4-28. Eligibility for board membership. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Lockhart Airport Advisory Board.</p> <p>Sec. 4-32. Limitations of authority. The Lockhart Municipal Airport Advisory Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties.</p>
<p>NOTES: CONSTRUCTION BOARD APPOINTMENTS</p>	<p><i>Section B101.4, Board Decision, is amended to read as follows:</i> The construction board of adjustments and appeals shall have the power, as further defined in Appendix B, to hear appeals of decisions and interpretations of the building official and consider variances of the technical codes; and to conduct hearings on determinations of the building official regarding unsafe or dangerous buildings, structures and/or service systems, and to issue orders in accordance with the procedures beginning with section 12-442 of this Code [of Ordinances].</p> <p><i>Section B101.2, Membership of Board, is amended to read as follows:</i> Each District Council member and the Mayor shall appoint one member to the Construction Board of Appeals making it a five (5) member board and each Councilmember at Large shall appoint an alternate. The term of office of the board members shall be three (3) years, such terms coinciding with the council position making the appointment. The two (2) alternates shall also serve the term coinciding with the council position making the appointments. Vacancies shall be filled for an unexpired term in the manner in which the original appointments are required to be made. Board members shall consist of members who are qualified by experience and/or training to pass on matters pertaining to building construction and are not employees of the City of Lockhart.</p>
<p>NOTES: ELECTRIC BOARD APPOINTMENTS</p>	<p>Sec. 12-132. Members. (a) Appointments to the examining and supervisory board of electricians and appeals shall conform to section 2-210 except that the board shall consist of five persons with one being appointed by each district council member and one by the mayor. Each member shall serve three-year terms with such terms to coincide with the council position making the appointment. (b) Each board member shall reside within the county and such board shall include one member who shall be a building contractor, one layman; two members shall be master electricians who are currently licensed by the city; and one member shall be either a building contractor or master electrician licensed by the city. There shall be two ex-officio members, one who shall be the city electrical inspector, and one shall be the fire marshal.</p> <p>Sec. 12-133. Officers and quorum. The members of the examining and supervising board of electricians and appeals shall select a chairman and secretary. A quorum shall consist of three members.</p>
<p>NOTES: HISTORIC PRESERVATION COMMISSION</p>	<p>Sec. 28-3. Historical preservation commission. (b) The commission shall consist of seven members, appointed by the city council in accordance with section 2-210, who shall whenever possible meet one or more of the following qualities:</p> <ol style="list-style-type: none"> (1) A registered architect, planner or representative of a design profession, (2) A registered professional engineer in the State of Texas, (3) A member of a nonprofit historical organization of Caldwell County, (4) A local licensed real estate broker or member of the financial community, (5) An owner of an historic landmark residential building, (6) An owner or tenant of a business property that is an historic landmark or in an historic district, (7) A member of the Caldwell County Historical Commission.
<p>NOTES: PARKS ADVISORY BOARD</p>	<p>Sec. 40-133. Members. (a) The board shall consist of seven members appointed in accordance with section 2-210 to serve three years terms, such terms to coincide with the council position making the appointment and two alternates shall also be appointed by the mayor and mayor pro-tem, one each. The two alternates shall also serve the term coinciding with the council position making the appointments. Vacancies shall be filled for an unexpired term in the manner in which the original appointments are required to be made. (Ordinance 06-08, adopted February 7, 2006)</p>

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Sec. 2-209 - Rules for appointment.

The city council hereby sets the following rules.

- (1) Except as may be established by existing city ordinances/resolutions the process for selecting members shall be open to all Lockhart citizens, who must apply for appointment, to include those applying for reappointment. Reappointment shall not be deemed automatic.
- (2) Council shall seek to appoint the most qualified or best persons available, while also respecting the need for diverse community opinions.
- (3) No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
- (4) No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization.
- (5) Subject to other qualifications as specifically required for membership on the below boards and commissions, the city council shall have the right (but not the duty) to appoint up to two members who are not Lockhart citizens but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the construction board of appeals
- (6) Subject to other qualifications as specifically required for membership on the below boards and commissions, the city council shall have the right (but not the duty) to appoint up to two members who are not Lockhart citizens but who are residents of Caldwell County, to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the construction board of appeals

Section 2-210. Method of selection; number of members; terms.

- (a) The mayor and city councilmembers shall nominate individuals to serve on boards and commissions. Each nomination shall then be confirmed by a simple majority of the entire city council.
- (b) Except as provided herein, there shall be seven members appointed to each board or commission corresponding with the seven members or places of the city council. Each city councilmember, except at provided herein, shall nominate a qualified person to serve in a place on an appointed body corresponding to their place on the council. At-large councilmembers shall be designated as places 5 and 6, and the mayor's position as place 7, for the purpose of this section. Nominations shall be made to fill vacant positions and/or positions whose terms have expired within 90 days of the event, such as a resignation or an election. Should any city councilmember fail to name an appointee to one of his/her corresponding places on any body within the above described 90 days, another councilmember shall then have the privilege to nominate a person to fill that same position, as described in subsection (a). However, once that position becomes vacant again for any reason, the appointment shall revert to the place corresponding with the original city council seat/place number for nominations.
- (c) Beginning with the election in May, 1998, the council shall nominate and confirm four members to serve in places 1, 2, 5, 6 on each board and commission in accordance with subsections (a) and (b) above, and with the standards set in Ordinance Number 97-09, Governance Policies. With the election of May, 1999, the remaining three places shall be filled following the same procedure as above.
- (d) Terms of service on appointed bodies shall be the same three-year terms as the councilmember who nominates a person to serve. However, a person may be appointed to complete the unexpired term of a vacant position, due to a resignation, for example.
- (e) When a person has completed a term, or terms, of service and will be vacating a place, that person may continue to serve until a replacement is nominated and confirmed by the city council.
- (f) At the discretion of the majority of the city council, one Caldwell County resident who is also an owner of real property within any local historic district may be appointed as a full member to the historical preservation commission.
- (g) Exceptions to the above regulations shall be all volunteer/special purpose/ad hoc committees appointed from time to time by the city council and the zoning board of adjustments, whose members shall serve two-year terms in accordance with V.T.C.A., Local Government Code § 211.008. All other provisions of this section, and ordinance number 97-09 which do not conflict with the chapters establishing these bodies shall be applicable.

Sec. 2-212. Removal and resignation of members.

- (a) All board, commission and committee members serve at the pleasure of the city council and may be removed from office with or without cause at the discretion of the city council.
- (b) Board, commission and committee members may resign from office at any time by filing a written resignation, dated and signed by the member, with the City Secretary. Such resignation shall take effect upon receipt by the City Secretary without further action by the city council. If the city council appoints a new member to replace the resigned member, the new member shall be appointed to serve out the remainder of the resigned member's term.

NOTES:
ORDINANCE
RE: ALL
BOARD,
COMMISSION
APPOINTMENTS

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<p>NOTES: PARKS MASTER PLAN STEERING COMMITTEE (Est. 09/05/2017)</p>	<p>Committee to have 8-10 members as follows:</p> <ul style="list-style-type: none"> • Councilmembers • City staff • Two Parks Advisory Board members • Business owners • Civic Organization members <p>Committee will assist Burditt Consultants to perform tasks outlined in the Parks Master Plan.</p>
<p>NOTES: AD-HOC COMMITTEE - ST. PAUL UNITED CHURCH OF CHRIST PROPERTY (Est. 09/05/2017)</p>	<p>Committee will consist of at least one appointment from Mayor and each Councilmember.</p> <p>The Committee will make recommendations to the Council about the use of the property at 728 S. Main.</p>
<p>WAYFINDING SIGNAGE AND COMMUNITY BRANDING AD-HOC (Est. 01/02/2018)</p>	<p>Committee will assist City Planner/Development Services with wayfinding signage and community branding tasks.</p> <p>Committee will consist of up to five members appointed by the Council.</p>

COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

Councilmember	Board/Commission	Appointee	Date Appointed
Mayor – Lew White	Airport Board	John Hinnekamp	12/19/17
	Board of Adjustment	Mike Annas	12/19/17
	Construction Board	Ralph Gerald	12/19/17
	Ec Dev. Revolving Loan	Barbara Gilmer	12/19/17
	Ec Dev. Corp. ½ Cent Sales Tax	Alan Fielder, Vice-Chair	12/19/17
	Electric Board	Joe Colley, Chair	12/19/17
	Historical Preservation	John Lairsen	12/19/17
	Library Board	Stephanie Riggins	12/19/17
	Parks and Recreation	Albert Villalpando, Chair	12/19/17
	Planning & Zoning	Paul Rodriguez	12/19/17
	ETJ Rep-Impact Fee Adv Comm	Larry Metzler	12/19/17
District 1 – Juan Mendoza	Airport Board	Larry Burrier	03/07/17
	Board of Adjustment	Lori Rangel	03/07/17
	Construction Board	Mike Votee	03/07/17
	Eco Dev. Revolving Loan	Ryan Lozano	03/07/17
	Eco Dev. Corp, ½ Cent Sales Tax	Dyral Thomas	03/07/17
	Electric Board	Thomas Herrera	03/07/17
	Historical Preservation	Victor Corpus	03/07/17
	Library Board	Shirley Williams	03/07/17
	Parks and Recreation	Linda Thompson-Bennett	03/07/17
	Planning & Zoning	Marcos Villalobos	03/07/17
District 2– John Castillo	Airport Board	Reed Coats	03/07/17
	Board of Adjustment	Juan Juarez	03/07/17
	Construction Board	Oscar Torres	05/15/18
	EcoDev. Revolving Loan	Rudy Ruiz	03/07/17
	Eco Dev. Corp. ½ Cent Sales Tax	Umesh Patel	08/09/18
	Electric Board	James Briceno	03/07/17
	Historical Preservation	Ron Faulstich	03/07/17
	Library Board	Donnie Wilson	03/07/17
	Parks and Recreation	James Torres	03/07/17
		Rob Ortiz, Alternate	03/07/17
	Planning & Zoning	Manuel Oliva	03/07/17

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

District 3 – Kara McGregor	Airport Board Board of Adjustment Construction Board Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Electric Board Historical Preservation Library Board Parks and Recreation Planning & Zoning	Ray Chandler Anne Clark, Vice-Chair Kirk Smith (Alternate) Jerry West, Vice-Chair Lew White, Chair Nic Irwin Thomas Stephens Ronda Reagan Jean Clark Fox, Chair Warren Burnett Philip McBride, Chair	02/06/18 12/19/17 12/05/17 01/02/18 12/19/17 12/05/17 12/19/17 12/19/17 12/19/17 12/05/17 12/19/17
District 4 - Jeffry Michelson	Airport Board Board of Adjustment Construction Board Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Electric Board Historical Preservation Library Board Parks and Recreation Planning & Zoning	Mark Brown, Vice-Chair Wayne Reeder Rick Winnett Frank Coggins Morris Alexander Ian Stowe Kathy McCormick Donaly Brice Russell Wheeler Mary Beth Nickel	03/07/17 12/05/17 12/05/17 12/05/17 12/05/17 03/06/18 12/05/17 12/05/17 12/05/17 12/05/17
Mayor Pro-Tem (At-Large) – Angie Gonzales-Sanchez	Airport Board Board of Adjustment Construction Board Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Historical Preservation Library Board Parks and Recreation Planning & Zoning	Andrew Reyes Laura Cline, Chair Paul Martinez Irene Yanez Alfredo Munoz Juan Alvarez, Jr. Jodi King Chris Schexnayder Philip Ruiz, Vice-Chair	03/07/17 03/07/17 03/07/17 03/07/17 06/06/17 03/07/17 03/07/17 03/07/17 03/07/17

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

At-Large - Brad Westmoreland	Airport Board Board of Adjustment Construction Board (Alternate) Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Historical Preservation Library Board Parks and Recreation Planning & Zoning	Jayson “Tex” Cordova Severo Castillo Gary Shafer Edward Strayer Frank Estrada Richard Thomson Rebecca Lockhart Dennis Placke Christina Black	03/07/17 03/07/17 03/07/17 03/07/17 03/07/17 11/21/17 03/07/17 03/07/17 03/07/17
	Charter Review Commission (Five member commission) Term – 24 months after appointment	Ray Sanders Bill Hernandez Roland Velvin Elizabeth Raxter Alan Fielder	03/01/16 – Michelson 03/01/16 – Michelson 03/01/16 – Michelson 03/01/16 – Hilburn 03/15/16 – Hilburn
	Sign Review Committee (no longer meeting)	Gabe Medina Neto Madrigal Terry Black Kenneth Sneed Johnny Barron, Jr. Tim Clark	03/17/15 - Mayor Pro-Tem Sanchez 04/21/15 – Councilmember Mendoza 12/19/17– Councilmember McGregor 03/17/15 – Mayor White 03/17/15 – Councilmember Castillo 03/17/15– Councilmember Michelson
	Parks Master Plan Steering Committee (8-10 members)	Albert Villalapando Dennis Placke Nita McBride Rebecca Pulliam Bernie Rangel Derrick David Bryant Beverly Anderson Carl Ohlendorf Beverly Hill	09/05/17 – Parks Bd appointee 09/05/17 – Parks Bd appointee 12/05/17– McGregor 09/19/17– Michelson 09/19/17 – Castillo 09/19/17 - Sanchez 09/19/17 - Mendoza 09/19/17 – Westmoreland 09/19/17 – Mayor White

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

	Church Property Ad-hoc Committee (7 members)	Amelia Smith Jackie Westmoreland Todd Blomerth Andy Govea Terry Black Jane Brown Raymond DeLeon Dyrall Thomas	09/05/17 – Westmoreland 09/05/17 – Westmoreland 09/05/17 – Mayor White 09/19/17 – Sanchez 12/19/17 – McGregor 09/19/17 – Michelson 09/20/17 – Castillo 09/22/17 – Mendoza
	Wayfinding Signage and Community Branding Ad-Hoc Committee (5 members)	Kara McGregor Roy Watson Chris St. Leger Taylor Burge Christie Pruitt–Lockhart Chamber Laura Rivera-Hispanic Chamber Vanessa Fischer Kate Collins Katie Westmoreland Mills	01/02/2018 01/02/2018 01/02/2018 02/06/2018 02/08/2018 02/09/2018 02/09/2018 (ex-officio) 02/06/2018 (ex-officio) 02/06/2018 (ex-officio)

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City of Lockhart
FY 2018-2019 Budget
Preliminary Budget & Tax Rate Adoption Calendar

Thursday, July 5, 2018
Regular Council Meeting

Council Budget Workshop/Meeting 6:30 PM

1. Present and Discuss Budget
2. Set Public Hearing Date for Budget - Sept. 4, 2018

Thursday, July 12, 2018

Council Budget Workshop 6:30 PM

1. Discuss Budget
2. Non-Profit Presentations

Tuesday, July 17, 2018
Regular Council Meeting

Council Budget Workshop/Meeting 6:30 PM

1. Discuss Budget

Thursday, July 26, 2018

Council Budget Workshop 6:30 PM

1. Discuss Budget
2. GBRA & CCAD Budgets

Thursday, August 9, 2018

Publication of effective and rollback tax rate calculation in local newspaper and posted on website.

Thursday, August 9, 2018
Regular Council Meeting

Council Budget Workshop/Meeting 6:30 PM

1. Adopt certified tax property roles for the City of Lockhart
2. Discuss Budget
3. Announce Public Hearing Date - Sept. 4, 2018

Monday, August 20, 2018

Send "Notice of Public Hearing" information to newspaper.

Tuesday, August 21, 2018
Regular Council Meeting

Council Budget Workshop/Meeting 6:30 PM

1. Discuss Tax Rate
2. Take record vote, if motion passes schedule and announce date & time of public hearings on proposed tax rate.
3. Discuss Budget

Thursday, August 23, 2018

Council Budget Workshop 6:30 PM

1. Discuss Budget

Thursday, August 23, 2018

*"Notice of Public Hearings on Tax Increase," if necessary and "Notice of Public Hearing" on budget appears in newspaper.
(At least ten days prior to public hearing.)*

City of Lockhart
FY 2018-2019 Budget
Preliminary Budget & Tax Rate Adoption Calendar

Friday, August 31, 2018

Send "Notice of Public Hearing" information to newspaper.

Tuesday, September 4, 2018
Regular Council Meeting

1st Public Hearing on Tax Rate/ Public Hearing on Budget (7:30 PM) and Council Meeting 6:30 PM

1. Hold Public Hearing on Tax Rate and Budget.
2. Budget Workshop - Discuss Budget
3. Budget Workshop - Discuss Tax Rate

Thursday, September 6, 2018

*"Notice of Public Hearings on Tax Increase," if necessary appears in newspaper.
(At least seven days prior to public hearing.)*

Monday, September 17, 2018

Send "Notice of Vote on Tax Rate" information to newspaper.

Tuesday, September 18, 2018
Regular Council Meeting

2nd Public Hearing on Tax Rate (7:30) / Budget Workshop and Council Meeting 6:30 PM

1. Public Hearing on Tax Rate. Schedule and announce date & time of meeting to adopt tax rate and budget, 3-14 days from this date.
2. Budget Workshop - Discuss Budget
3. Budget Workshop - Discuss Tax Rate

Thursday, September 20, 2018

"Notice of Vote on Tax Rate", appears in newspaper.

Tuesday, September 25, 2018

Special Council Meeting to Adopt Budget and Tax Rate 6:30 PM

1. Discuss and take appropriate action on Budget Adoption Resolution.
2. Discuss and take appropriate action on Tax Rate Adoption Resolution

LOCKHART CITY COUNCIL FY 17-18 GOALS				
Category and Priority Order				
COUNCIL MEMBER	PRIORITY	GOALS IDENTIFIED BY COUNCIL FOR FY 17-18 (as submitted by Councilmembers)	SUGGESTED FUNDING SOURCE BY COUNCILMEMBER	CATEGORY
BH	3	Continue Improving City Cemetery	with GF Expiring debt saving and/or Cemetery Tax	CEMETERY
Jeff M	2	Refurbish City Hall in the inside (to make more inviting to the public) as well as doing some landscaping outside	General Fund	CITY BLDGS
BW	3	Spruce up and clean up City properties		CITY BLDGS
BH	4	Improve City Facilities Appearance		CITY BLDGS
JC	4	City Facilities		CITY BLDGS
AGS	10	Convention Center		CONVENTION CTR
JC	2	Crime		CRIME
AGS	4	Police Task Force: Budget extra funds for a Police Task Force, a Narcotics Officer and a Mental Health Officer to address any drug and gang related problems and mental issues our city is being faced not only on the East side of our city but citywide. Budget for updated training for our police officers. There is alot of training that is free but alot additional money for registration fees and course material.		CRIME
Jeff M	4	Work with Police Department to bring back drug enforcement program		CRIME
LW	8	Fund for helping utility customers in need	???	CUSTOMER SERV
BW	2	Continue to change angle parking downtown: 200 Blk S Main, 100 Blk N Main, 100 Blk N Commerce, 200 Blk E Market; little time and expense invovled	??	DOWNTOWN
LW	2	Downtown improvements,bathrooms, electric, pedestrian safety, beautification, wifi, lighting		DOWNTOWN
AGS	9	Parking around and surrounding the square. Issues with larger vehicles parked in areas that are narrow and that make it hard to see oncoming traffic		DOWNTOWN
LW	1	Expanding economic development department, budget, office, staff?, marketing	General fund, LEDC	ECCONOMIC DEV
AGS	3	Economic Development: Recurit more businesses especailly retail and continue efforts; contact existing and vacant building owners to see if they are willing to work with the City of Lockhart to bring retail businesses and speciality shops, as well as industrial. Purchase buildings and land when on the market for possible new businesses for the city.		ECCONOMIC DEV
JC	3	Economic Development		ECCONOMIC DEV
AGS	5	Subdivision development to attract more businesses to Lockhart.		ECCONOMIC DEV
JM	5	Set up meetings with developers for more retail space shopping centers along US 183		ECCONOMIC DEV

LOCKHART CITY COUNCIL FY 17-18 GOALS				
Category and Priority Order				
COUNCIL MEMBER	PRIORITY	GOALS IDENTIFIED BY COUNCIL FOR FY 17-18 (as submitted by Councilmembers)	SUGGESTED FUNDING SOURCE BY COUNCILMEMBER	CATEGORY
AGS	6	More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants)		ECONOMIC DEV
AGS	1	All Department Heads to Budget Salary Increases for all City Employees.		EMPLOYEES
JM	1	City Employee Raises		EMPLOYEES
JM	2	House or fund gym membership/space (weight rm) in Senior Center area (cardio machine) for City employees		EMPLOYEES
AGS	8	Employee: Possible additional Employee Holiday Time Off-Alternating System. Even though this has been discussed and the reasons for why it cannot be done, I would like to see a time off alternating system, especailly during the holidays.		EMPLOYEES
BW	1	ENFORCE ordinances that pertain to unsightly properties all over town		ENFORCEMENT
Jeff M	1	Enforce city ordinance regarding residential property		ENFORCEMENT
Jeff M	3	Continue to work on City Park improvements		PARKS
JM	3	Do inventory of City properties to idenify areas for pocket parks	LEDC funds	PARKS
LW	3	Park improvements	General fund	PARKS
BH	5	Parks Improvements	General Fund	PARKS
JC	5	Parks		PARKS
AGS	7	Parks Improvemens: Purchase and update the park equipment to provide safe and fun filled parks for all to use.		PARKS
LW	7	Town branch cleanup and beautification	???	PARKS
JM	4	Start process of Funding Sidewalks east of 183 connecting to the US 183 sidewalks		SIDEWALKS
LW	6	sidewalk repair and expansion	general fund bond	SIDEWALKS
BH	1	IMPLEMENT SIGNAGE IN LOCKHART	General Fund (LEDC) and/or Hotel Tax	SIGNAGE
LW	4	wayfinding, branding	general fund	SIGNAGE
LW	5	Entry signs	general fund	SIGNAGE
Jeff M	6	Signage on Highway 183 and SH130 = directing people to Lockhart		SIGNAGE
BW	4	Pursue oppportunity to move Senior Citizens' Center to St Paul United Church of Christ Property		SR CITIZENS CTR
JC	1	Roads	Grants or impact fees	STREETS/INFRAS
AGS	2	Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods		STREETS/INFRAS
BH	2	Continue improving City Streets	Increase Transportation Fund	STREETS/INFRAS
Jeff M	5	Continue to make improvements and redoing our city streets		STREETS/INFRAS

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

Priority	Council Person	Goals Submitted	City Manager Comments
1	Castillo	Infrastructure	Complete 2015 CO projects and need budget of \$250,000 per year for streets, continue water and sewer main replacements; continue electric distribution maintenance plan-get new substation on line. Replace bad water raw water mains and find additional water for the future.
1	Gonzales-Sanchez	Department Heads to Budget Salary Increases for city employees so that we can keep our current city employees.	Est Cost Per % Increase Annually: Gen Fund (Not Civil Serv) \$ 29,000; Gen Fund Civil Serv \$ 24,000; Other/Utilities: \$ 15,000- Add'l
1	Hilburn	Improve City Cemetery with GF Expiring debt saving and/or Cemetery Tax	Cemetery Tax up to 5 cents allowed by State Law. Expiring GF debt committed to Police and Fire increased pay rates. (\$132,000)
1	Mendoza	Find ways to use activity center for multi-purpose use. (basketball, volleyball). Funding source: Different companies in town	If approved by Council staff would approach local businesses
1	Michelson	Continue to improve infrastructure (drainage, street repairs) throughout the city	Complete 2015 CO and budget \$250,000 per year for street materials
1	Westmoreland	Enforce ordinances that pertain to unsightly properties all over town. Make homeowners/residents (because some may be renters) take pride in their environment. It is an eyesore to drive around town and see overgrown properties, junked cars, and stacks of trash on porches, in yards and driveways. All levels of socio-economic residents in this town have shown evidence of being disrespectful to their environment.	City has no esthetics ordinance currently. The term "unsightly" is subjective and is difficult to prove in court.
1	White	Economic Development-expanding budget to get staff qualified to help Sandra with recruitment, working with LEDC to either build Spec building or invest in more property, Main St program to relieve Sandra of a lot of those duties	Main Street Program would require another person and funding to work with local businesses while Economic Development would concentrate on new businesses and new jobs
2	Castillo	Economic Development	Need 12-15,000 sf of retail spaces with reasonable lease per sf and buildings that are 20 to 50,000 sf for industrial and manufacturing
2	Gonzales-Sanchez	Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods	Complete 2015 CO projects and need budget of \$250,000 per year for streets, continue water and sewer main replacements; continue electric distribution maintenance plan-get new substation on line. Replace bad water raw water mains and find additional water for the future. Most streets that lack curbing will need to be totally reconstructed. Brighter LED lights being experimented with since costs have come down.
2	Hilburn	Implement City Signage	Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000
2	Mendoza	New Park equipment. Funding Source: Each Councilmember responsible for a park and finding funding sources	Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board
2	Michelson	Continue to improve ways to attract businesses to Lockhart	Need more 12-15,000 sf of retail spaces with reasonable lease per sf and buildings that are 20 to 50,000 sf for industrial and manufacturing
2	Westmoreland	Create a policy for the residency of future administrative positions to live within the Lockhart city limits. If an administrator wants to be employed by the City of Lockhart, they need to reside here. Sharing in the daily lives of our citizens seems crucial to making decisions about Lockhart. They are paid by city taxes.	It is not legal to require all department heads to live in the City limits; only the City Manager is required to do so. All non-24 emergency response employees must live within 25 minutes of City Limits
2	White	Continue street rehab	Need \$ 250,000 annually minimum for street work materials
3	Castillo	City Facilities	Not sure what this includes; can assess all departments for physical needs
3	Gonzales-Sanchez	Economic Development: Recruit more businesses especially retail and continue efforts ; contact existing and vacant bldg owners to see if they are willing to work with City to bring these small retail businesses, as well as industrial; possibly purchasing two downtown county buildings when on the market for possible new businesses in the downtown area. Stronger platform with LEDC with methods to sell Lockhart and attract businesses.	LEDC could fund another report but the company says our numbers still should be good. Costs estimated \$22,500 for updating data and recruitment. Prime softgood companies constantly want to be on Highway 183 in 12-15,000 sf and at a reasonable cost per sf plus higher traffic counts.

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

Priority	Council Person	Goals Submitted	City Manager Comments
3	Hilburn	Continue improving city streets: Increase Transportation Fund	Current transportation monthly rate is \$ 4 for residential and others; \$260,000 annual which helps fund labor and equipment, but is not sufficient for materials. Another \$250,000 for materials is needed annually.
3	Mendoza	Wi-Fi Free Zones Downtown Square. Funding source City Budget, School District, Downtown sponsors	Rough estimate is about \$12,000
3	Michelson	Refurbish City Hall	If atrium removed, add more offices estimated at \$45,000 and more outside landscaping estimated at \$ 5,000; elevator going in with improvements to restrooms and offices
3	Westmoreland	Approach interested and future businesses cordially. Stringent ordinances (and the way they are approached), scare off some businesses. Let's be friendly in a positive way.	City Mgr respectfully requests names of such businesses. He has met with 18 business representatives over past 15 months that were looking at Lockhart but did not come. Except for the non-residential exterior building esthetics ordinance, none of them indicated a problem with the current ordinances or with staff. The main problems were high land prices and the lack of "ready built retail and industrial buildings", and traffic counts were not high enough. Most thought the impact fee schedules were very reasonable compared to other cities. Will continue to work toward friendlier customer service with simplified ordinances.
3	White	Park master plan to consider park bond issue, recreation dept and staff issues	Master Plan estimate: \$ 45,000, recreation dept est at least \$ 60,000 for a recreational professional with another \$30,000 for equipment and materials
4	Castillo	Employees Wages	Est Cost Per % Increase Annually: Gen Fund (Not Civil Serv) \$ 29,000; Gen Fund Civil Serv \$ 24,000; Other/Utilities: \$ 15,000- Add'l Cost FY 16-17 due to Civil Serv Pay Plan Expansions already approved: \$ 132,000
4	Gonzales-Sanchez	Police Task Force: Budget extra funds to bring back a much needed Police Task Force to address any drug and gang related problems this city is being faced with especially on the East side of our city. Possibly ask the County to assist with funding.	Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000
4	Hilburn	Continue working on bringing industry to Lockhart: Continue supporting Ms. Mauldin	LEDC is will have sufficient funding to be more aggressive starting FY 16-17
4	Mendoza	Training Start up: Neighborhood Watch Training and Program: Police Budget	Have tried Neighborhood Watch Program in past but was not sustained because of lack of participation. Willing to try again.
4	Michelson	Improve signage on HWY 183 as well as SH130 = directing people to Lockhart	Possibly use of some of the KTB grant money
4	Westmoreland	Evaluate and/or change the degree of the angled parking along the 4 blocks off of the square. This would be: Main Street from Market to Prairie Lea Street; Main Street from San Antonio Street to Walnut Street; Commerce Street from Market Street to Prairie Lea Street, and Commerce Street from San Antonio Street to Walnut Street. These parking spaces were made before long vehicles were made! If there are cars parked on both sides of the streets, only one car can pass through at a time. Then it becomes a one lane street. I have witnessed a different angled parking arrangement, and it provides more room and is much safer for the drivers and pedestrians.	Estimate to black out existing thermoplastic markings, redefine layout, and apply new thermoplastic markings with angle parking = \$ 12,000; will probably lose 4 spaces per block. 2 on each side
4	White	Branding and wayfinding—may be included in #1	Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000
5	Castillo	Parks	Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board
5	Gonzales-Sanchez	Subdivision development to attract more businesses to Lockhart	Working with 6 more subdivisions, either new or expanding, and possibly one more very large one northwest.
5	Hilburn	Improve tourism in Lockhart - City Council continue to work with and encourage Chambers of Commerce to be more involved	Council can make this directive to Chambers when dividing out HOT funds
5	Mendoza	Finding more funding for Retail Market Study. Zip code demographics with reports. Funding LEDC	LEDC could fund another report but the company says our numbers still should be good. Costs estimated \$22,500 for updating data and recruitment.

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

Priority	Council Person	Goals Submitted	City Manager Comments
5	Michelson	Work with LEDC or someone equivalent to build a building to help attract business	Need more 12-15,000 sf of retail spaces with reasonable lease per sf. Most softgood retailers want 12-15,000 on Hwy 183 at a reasonable price and increased traffic volumes
5	White	Sidewalks to include lighting	Funding required; for example San Jacinto to Jr High estimate is \$130,000 just for materials along Maple walkway
6	Gonzales-Sanchez	More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants)	Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000. Chambers could use HOT for more tourism.
6	Michelson	Continue to work on City Park improvements	Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board
6	White	Pursue possible ESD-EMS district	Legal issue with participation by County and City of Luling preferable
7	Gonzales-Sanchez	Parks Improvemens: Purchase more park equipment to provide safe and fun filled parks for all to use.	Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board
7	Mendoza	Start Talks With YMCA Austin again. Seek sponsors funding if necessary	Our population hurt in previous discussions, Will pursue again. They usually want commitment for a minimum number of individuals and families depending on population of not only City but its metro area
7	Michelson	Work on building a civic center/ recreation center	\$ 9 million plus land \$ 2.5 million for about 20,000 sf plus about \$240,000 annual maintenance costs and minimum of \$60,000 for utilities; estimated revenues offset is about \$60,000; take out recreation center and cost go down about 20%. It has been reported that Bastrop is spending over \$500,000 per year to operate its civic center. Revenues not covering costs.
7	White	Cemetery maintenance	Cemetery Tax up to 5 cents allowed by State Law
8	Gonzales-Sanchez	City Hall: Refurbish with Improvements and/or Upgrades	Elevator and improvements to restrooms planned; better offices for Connie and Sandra planned also.
9	Gonzales-Sanchez	Convention Center	\$ 9 million plus land \$ 2.5 million for about 20,000 sf plus about \$240,000 annual maintenance costs and minimum of \$60,000 for utilities; estimated revenues offset is about \$60,000; take out recreation center and cost go down about 20%. It has been reported that Bastrop is spending over \$500,000 per year to operate its civic center. Revenues not covering costs.
10	Gonzales-Sanchez	Employee: Possible additional Employee Holiday Time off-Alternating system	City employees now have 12 holidays and 1 personal holiday; time off is granted by seniority with department head responsible for keeping sufficient personnel to serve the public needs. Employees also receive at least 2 weeks of vacation time. Those employees required to work on holidays receive their normal pay plus holiday pay.

City of Lockhart
Future Debt Payments as of 9/30/15

Description		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL DEBT
General Government																						
Hotel Tax Fund																						
2009 Tax & Revenue		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000								520,000
Total Hotel Tax Fund P & I		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000								520,000
LEDC																						
2008 GO Refunding		300,000																				300,000
2015 Tax & Revenue		37,357	48,093	48,093	48,044	48,103	48,152	63,645	63,670	63,513	63,543	63,555	63,643	63,687	65,647	65,544	65,575	65,482	65,579	65,538	65,676	1,182,139
Total LEDC Fund P & I		337,357	48,093	48,093	48,044	48,103	48,152	63,645	63,670	63,513	63,543	63,555	63,643	63,687	65,647	65,544	65,575	65,482	65,579	65,538	65,676	1,482,139
2015 Capital Projects Fund																						
2015 Tax & Revenue		122,620																				122,620
Total 2015 Capital Projects Fund		122,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,620
Drainage																						
2008 GO Refunding	31.00%	100,000																				100,000
2015 Tax & Revenue		100,000	116,289	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,016,289
Total Drainage Fund P & I		200,000	116,289	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,116,289
General Fund																						
2008 GO Refunding		91,210																				91,210
2015 Tax & Revenue		-																				-
Total General Fund P & I		91,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,210
Debt Service Fund																						
2009 Tax & Rev CO's	100.00%	333,210	331,060	328,972	327,883	336,575	329,615	737,655	742,642	741,325	743,920	750,210	749,978	753,440								7,206,485
2006 Tax & Rev CO's	100.00%	50,455	48,815	47,175	50,535	48,690	46,845															292,515
2006-A Tax & Rev CO's	93.00%	266,916	267,594	267,890	267,803	267,332	271,128															1,608,664
2015 Tax & Revenue	12.00%	91,487	117,779	117,779	117,659	117,803	117,923	155,867	155,927	155,543	155,615	155,645	155,861	155,969	160,769	160,517	160,592	160,365	160,602	160,502	160,831	2,895,035
Total Debt Service Fund P & I		742,068	765,248	761,816	763,880	770,400	765,511	893,522	898,569	896,868	899,535	905,855	905,839	909,409	160,769	160,517	160,592	160,365	160,602	160,502	160,831	12,002,699
Total General Government		1,533,255	969,630	949,909	951,924	958,503	953,663	1,097,167	1,102,239	1,100,381	1,103,078	1,109,410	1,109,482	1,113,096	326,416	326,061	326,167	325,847	326,181	326,040	326,507	16,334,957

City of Lockhart
Future Debt Payments as of 9/30/15

Description		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL DEBT
Proprietary																						
Electric Fund																						
2008 GO Refunding	3.59%	40,379																				40,379
2013 SIB Loan	30.81%	71,151	71,151	71,151	71,152	71,151	71,151	71,151	71,151	71,151	71,152	71,151	71,151	71,151	71,151	71,151	71,151	71,151	71,152			1,280,721
Total Electric Fund P & I		111,530	71,151	71,151	71,152	71,151	71,151	71,151	71,151	71,151	71,152	71,151	71,151	71,151	71,151	71,151	71,151	71,151	71,152	-	-	1,321,100
Water Fund																						
2006A Tax & Rev CO's	7.00%	20,090	20,142	20,164	20,157	20,122	20,408															121,082
2008 GO Refunding	36.38%	409,192																				409,192
2009 GO Refunding	86.69%	165,829	165,775	165,656	165,477	169,357	168,625	167,709	170,852	169,384	171,937	174,082	171,534	177,194								2,203,410
2015 Tax & Revenue	49.60%	378,148	486,818	486,818	486,322	486,917	487,413	644,248	644,496	642,909	643,207	643,331	644,223	644,670	664,510	663,468	663,778	662,842	663,822	663,406	664,800	11,966,146
2013 SIB Loan	35.80%	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676	82,676			1,488,169
Total Water Fund P & I		1,055,935	755,411	755,314	754,632	759,071	759,122	894,633	898,024	894,969	897,820	900,089	898,433	904,540	747,186	746,144	746,454	745,518	746,498	663,406	664,800	16,187,999
Sewer Fund																						
2008 GO Refunding	16.36%	183,990																				183,990
2009 GO Refunding	13.31%	25,461	25,452	25,434	25,407	26,002	25,890	25,749	26,232	26,006	26,398	26,728	26,336	27,206								338,302
2015 Tax & Revenue	4.30%	32,783	42,204	42,204	42,161	42,213	42,256	55,852	55,874	55,736	55,752	55,773	55,850	55,889	57,609	57,518	57,545	57,464	57,549	57,513	57,643	1,037,388
2015 Tax & Revenue	TRNSF		170,305	186,594	186,302	186,653	186,945	279,275	279,421	278,487	278,662	278,735	279,261	279,523	291,203	290,590	290,773	290,222	290,798	290,554	291,374	4,905,677
2013 SIB Loan	33.39%	77,102	77,102	77,102	77,103	77,102	77,102	77,103	77,102	77,102	77,103	77,102	77,102	77,103	77,102	77,102	77,103	77,102	77,102			1,387,844
Total Sewer Fund P & I		319,336	315,064	331,334	330,973	331,971	332,193	437,979	438,629	437,331	437,915	438,338	438,549	439,721	425,914	425,210	425,421	424,788	425,449	348,067	349,017	7,853,201
Airport Fund																						
2000 Airport	100.00%																					-
Total Airport Fund P & I		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Proprietary Fund P & I		1,486,801	1,141,626	1,157,799	1,156,757	1,162,193	1,162,466	1,403,764	1,407,804	1,403,451	1,406,887	1,409,579	1,408,133	1,415,412	1,244,252	1,242,505	1,243,026	1,241,458	1,243,099	1,011,473	1,013,817	25,362,300
Grand Total		3,020,056	2,111,256	2,107,708	2,108,681	2,120,696	2,116,129	2,500,931	2,510,043	2,503,832	2,509,965	2,518,989	2,517,615	2,528,508	1,570,668	1,568,566	1,569,193	1,567,305	1,569,280	1,337,513	1,340,324	41,697,257

