

CITY OF FREDERICKSBURG CITY COUNCIL MEETING

MONDAY, FEBRUARY 19, 2018 ~ 6:00 p.m.

Law Enforcement Center ~ 1601 East Main Street

Linda Langerhans, Mayor
Jerry Luckenbach, Council Member
Charlie Kiehne, Council Member

Gary Neffendorf, Council Member
Bobby Watson, Council Member
Kent Myers, City Manager

(REQUEST ALL PAGERS AND PHONES BE TURNED OFF, EXCEPT EMERGENCY ON-CALL PERSONNEL)

A G E N D A

CALL TO ORDER.

Page Ref

PLEDGE OF ALLEGIANCE

1. EMPLOYEE RECOGNITIONS

2. PUBLIC HEARING

- A. PUBLIC HEARING - Z-1714 to Amend the Existing Baron's Creek Planned Unit Development to Add Another Building and Obtain a Conditional Use Permit to Allow a Drive-Thru Associated with a Drive-In/Fast Food Facility 1-13

3. ORDINANCES - RESOLUTIONS - ACTION ITEMS

- A. Receive Recommendation and Consider Ordinance for Z-1714
B. Consider Resolution Authorizing Transfer of Funds to the 175th Anniversary Celebration 14-15
C. Consider Resolutions for Landmark Properties: 502 E Main and 612 S Washington 16-19
D. Consider Annual Sidewalk Program - Additional Work Authorization 20-31

4. INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION

- A. Consider HOT Funding for 175th Anniversary Celebration 32-33
B. Consider Attainable Housing Demand Study 34-79
C. Consider Approval of Revised Golf Course Budget 80-86
D. Consider Ft Martin Scott Trail Designation 87-106
E. Consider Property Management of the University Center 107-109
F. Consider Resolution Approving Agreement Related to Conference Center Operations and Conference Center Marketing, and Authorizing Execution of Said Agreement 110-149

5. ITEMS FOR FUTURE AGENDAS 150

6. PUBLIC COMMENTS This time is for citizens to address the City Council on issues and items of concern not on this agenda. There will be no City Council action at this time.

7. COUNCIL COMMENTS No discussion or action may take place

8. **EXECUTIVE SESSION** Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).

A. Executive Session - Consider and Discuss Penick R&C, LP vs City of Fredericksburg, Texas (Sec. 551.071)

B. Executive Session - Consider and Discuss Potential Claim Related to Enforcement of Zoning Ordinance Section 53-510, Operation of a Standardized Business in the Historic Shopping District (Sec. 551.071)

9. **TAKE ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY**

10. **ADJOURN**



CITY COUNCIL MEMO

DATE: February 13, 2018

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: Amend the Baron's Creek PUD Plan to allow another building to be erected within the parking area on Lot 1 BB-RR-BR; and Conditional Use Permit for a drive-through associated with a drive in/fast food restaurant (Starbucks) within the parking area of Lot 1 BB-RR-BR)

Summary:

This Baron's Creek Shopping Center was originally approved in 1985, and significant improvements and modifications were made in 2007. The additional square footage added in 2012 on the vacant pad site seems to be working well. The proposed drive in / fast food restaurant seems to be properly located within the center to accommodate parking and circulation.

The existing center is divided into 4 separate tracts as follows:

- Tract 1 – Lot 1AR - 0.89 acres (UPS Store)
- Tract 2 – Lot 1BR-RR - 4.04 acres (Gatti's, Jalisco, Beall's)
- Tract 3 – Lot 1BB-RR-BR – 3.392 acres (Dollar Tree, Hibbett, AT&T, Goodwill, Anytime Fitness).
- Tract 4 – Lot 1BB-RR-AR – 1.475 acres (Mattress Firm, Urgent Care)

Approximate building area for each tract is as follows:

- Existing Building A (UPS Store) – 3,108 square feet
- Existing Building B (Gatti's thru Anytime Fitness) – 66,056 square feet
- Existing Building C (Mattress Firm, Urgent Care) – 8,800 square feet
- Proposed Building D – 2,000 square feet

Adequate parking is provided within the shopping center, including the accommodation of the proposed restaurant. Cross access is provided between each of the properties so parking can be shared. The Planning and Zoning Commission approved the design and elevations meeting the Entry Corridor Design Standards and Guidelines.

①
The City of Fredericksburg

Recommendation:

The Planning and Zoning Commission voted unanimously in favor of recommending approval of the PUD amendment and Conditional Use Permit. Staff concurs with the recommendation of approval.

Background / Analysis:

See attached Conditional Use Permit Brief for request Z-1714.

Attachments:

Conditional Use Permit Brief, Site Plan, Elevations, Ordinance.



Department Approval



City Manager Approval

②
The City of Fredericksburg

ZONING AMENDMENT BRIEF

Request # Z-1714

<u>OWNER:</u>	Pleasanton Partners, LP
<u>APPLICANT:</u>	M&S Engineering LLC
<u>SIZE:</u>	Entire Center is 9.8 acres Lot 1 BB-RR-BR (1.475 acres)
<u>LOCATION:</u>	Baron's Creek Shopping Center, 1400 Block of E. Main St.
<u>EXISTING ZONING:</u>	PUD, Planned Unit Development
<u>PROPOSED CHANGE:</u>	1. Amend the PUD Plan to allow another building to be erected within the parking area on Lot 1 BB-RR-BR; and 2) Conditional Use Permit for a drive-through associated with a drive in/fast food restaurant (Starbucks) within the parking area of Lot 1 BB-RR-BR)

FINDINGS:

- The existing center is divided into 4 separate tracts as follows:
 - Tract 1 – Lot 1AR - 0.89 acres (UPS Store)
 - Tract 2 – Lot 1BR-RR - 4.04 acres (Gatti's, Jalisco, Beall's)
 - Tract 3 – Lot 1BB-RR-BR – 3.392 acres (Dollar Tree, Hibbett, AT&T, Goodwill, Anytime Fitness).
 - Tract 4 – Lot 1BB-RR-AR – 1.475 acres (Mattress Firm, Urgent Care)
- Approximate building area for each tract is as follows:
 - Existing Building A (UPS Store) – 3,108 square feet
 - Existing Building B (Gatti's thru Anytime Fitness) – 66,056 square feet
 - Existing Building C (Mattress Firm, Urgent Care) – 8,800 square feet
 - Proposed Building D – 2,000 square feet
- From the original PUD Plan, parking for the center is based on 1 space per 250 square feet. This ratio yields a requirement of 320 spaces. The addition of a drive-in/fast food restaurant increases the required parking under normal conditions. However, with the center have a total of 437 spaces, this appears adequate.
- The proposed drive-through will be located on the northwest side of the most recently constructed building.
- All other previous PUD conditions will remain in place.

- Water and Sanitary sewer are available to serve this tract.
- Adjacent zoning is R-2 to the north, a mixture of C-1, C-2 and PUD to the southwest across E. Main Street and unincorporated land to the east.
- Property adjacent to this tract is undeveloped and residential to the north, commercial to the southwest and undeveloped to the east.

Review and Evaluation Criteria:

A. CONFORMANCE WITH APPLICABLE REGULATIONS:

- The site complies with applicable PUD regulations, including parking, impervious coverage, building coverage and setbacks.

B. COMPATIBILITY WITH EXISTING OR PERMITTED USES IN ABUTTING SITES:

- The proposed drive in/fast food restaurant fits within the shopping centers layout without significant impact to adjacent uses. This use is compatible with existing and permitted uses.

C. POTENTIALLY UNFAVORABLE EFFECTS OR IMPACTS ON OTHER EXISTING OR PERMITTED USES ON ABUTTING PROPERTY:

- Since the proposed drive in/fast food restaurant is located within an existing shopping center, we do not anticipate negative effects on adjoining property.

D. MODIFICATIONS TO THE SITE PLAN WHICH WOULD RESULT IN INCREASED COMPATIBILITY AND WOULD MITIGATE POTENTIALLY UNFAVORABLE IMPACTS:

- The applicant has positioned the restaurant within the shopping center to reduce the impacts on the existing vehicular circulation and other tenants of the center.

E. SAFETY AND CONVENIENCE OF VEHICULAR AND PEDESTRIAN CIRCULATION IN THE VICINITY:

- Since the entrance to the drive-through of the proposed restaurant is located on the interior to the center, this will reduce the effects of traffic on E. Main Street. Customers will have multiple means of ingress and egress to the restaurant, and onto E. Main Street.

F. PROTECTION OF PERSONS AND PROPERTY FROM EROSION, FLOOD OR WATER DAMAGE, FIRE, NOISE, GLARE:

- Appropriate plans will be in place to address flooding and water damage as part of the site construction. No issues are anticipated for other items listed.

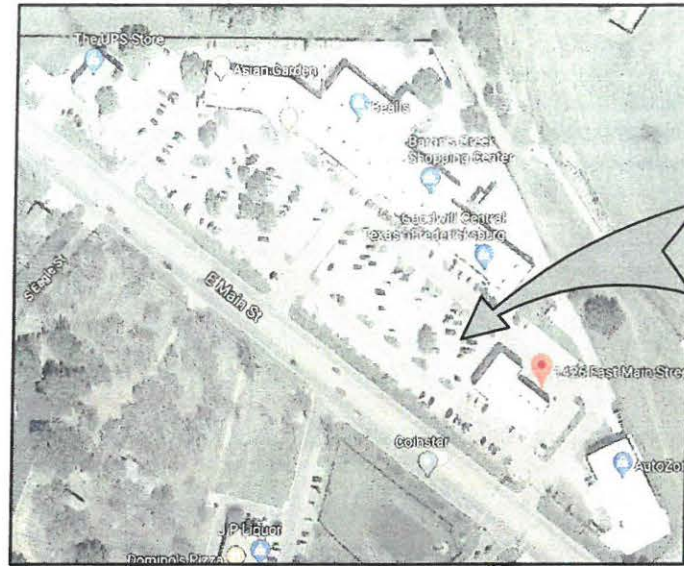
- G. LOCATION OF LIGHTING AND TYPE OF SIGNS; THE RELATION OF SIGNS TO TRAFFIC CONTROL AND ADVERSE EFFECTS OF SIGNS ON ADJACENT PROPERTIES:**
- All signs and lighting will comply with current ordinances.
- H. ADEQUACY AND CONVENIENCE OF OFF STREET PARKING AND LOADING FACILITIES:**
- Adequate parking is provided within the shopping center, including the accommodation of the proposed restaurant. Cross access is provided between each of the properties so parking can be shared.
- I. DETERMINATION THAT THE PROPOSED USE IS IN ACCORDANCE WITH THE OBJECTIVES OF THESE ZONING REGULATIONS AND PURPOSES OF THE ZONE IN WHICH THE SITE IS LOCATED:**
- Affirmative.
- J. DETERMINATION THAT THE PROPOSED USE WILL COMPLY WITH EACH OF THE APPLICABLE PROVISIONS OF THE ZONING ORDINANCE:**
- Affirmative.
- K. DETERMINATION THAT THE PROPOSED USE AND SITE DEVELOPMENT, TOGETHER WITH ANY MODIFICATIONS APPLICABLE, THERETO, WILL BE COMPATIBLE WITH EXISTING OR PERMITTED USES IN THE VICINITY:**
- Affirmative.
- L. DETERMINATION THAT ANY CONDITIONS APPLICABLE TO APPROVAL ARE THE MINIMUM NECESSARY TO MINIMIZE POTENTIALLY UNFAVORABLE IMPACTS ON NEARBY USES AND TO ENSURE COMPATIBILITY OF THE PROPOSED USE WITH EXISTING OR PERMITTED USES IN THE SAME DISTRICT AND THE SURROUNDING AREA:**
- See Items D and E above.
- M. DETERMINATION THAT THE PROPOSED USE TOGETHER WITH THE CONDITIONS APPLICABLE THERETO, WILL NOT BE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, OR WELFARE OR MATERALLY INJURIOUS TO PROPERTIES OR IMPROVEMENTS IN THE VICINITY:**
- See Items D and E above.

DESIGN STANDARDS AND GUIDELINES FOR ENTRY CORRIDORS: The applicant has submitted two designs that meet the architectural standards for the Entry Corridor. Staff has worked with the applicant to ensure the intent of the standards have been met. Of the two options staff recommends the natural stucco color instead of the yellow colored EIFS. The project appears to meet the Entry Corridor Standards, however the final color scheme was not ready at the time of printing. Staff will provide a recommendation at the P&Z meeting.

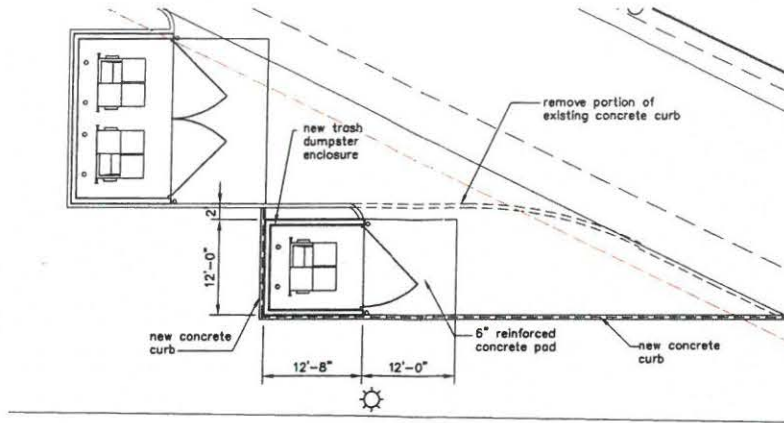
OPPOSITION/SUPPORT OF REQUEST: Staff has not received any comments in support or opposition to this request.

PLANNING AND ZONING COMMISSION RECOMMENDATION: The Commission voted unanimously to recommend approval of the amendment to the PUD and the Conditional Use Permit for the drive-through.

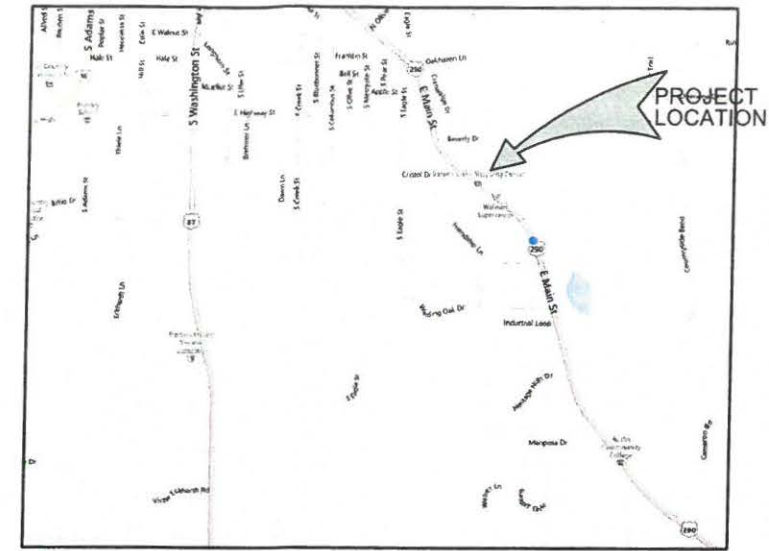
STAFF RECOMMENDATION: This center was originally approved in 1985, and significant improvements and modifications were made in 2007. The additional square footage added in 2012 on the vacant pad site seems to be working well. The drive in / fast food restaurant is properly located within the center to accommodate parking and circulation. Approval is recommended.



AERIAL PHOTOGRAPH
NO SCALE



ENLARGED TRASH ENCLOSURE DETAIL
SCALE: 3/32" = 1'-0"

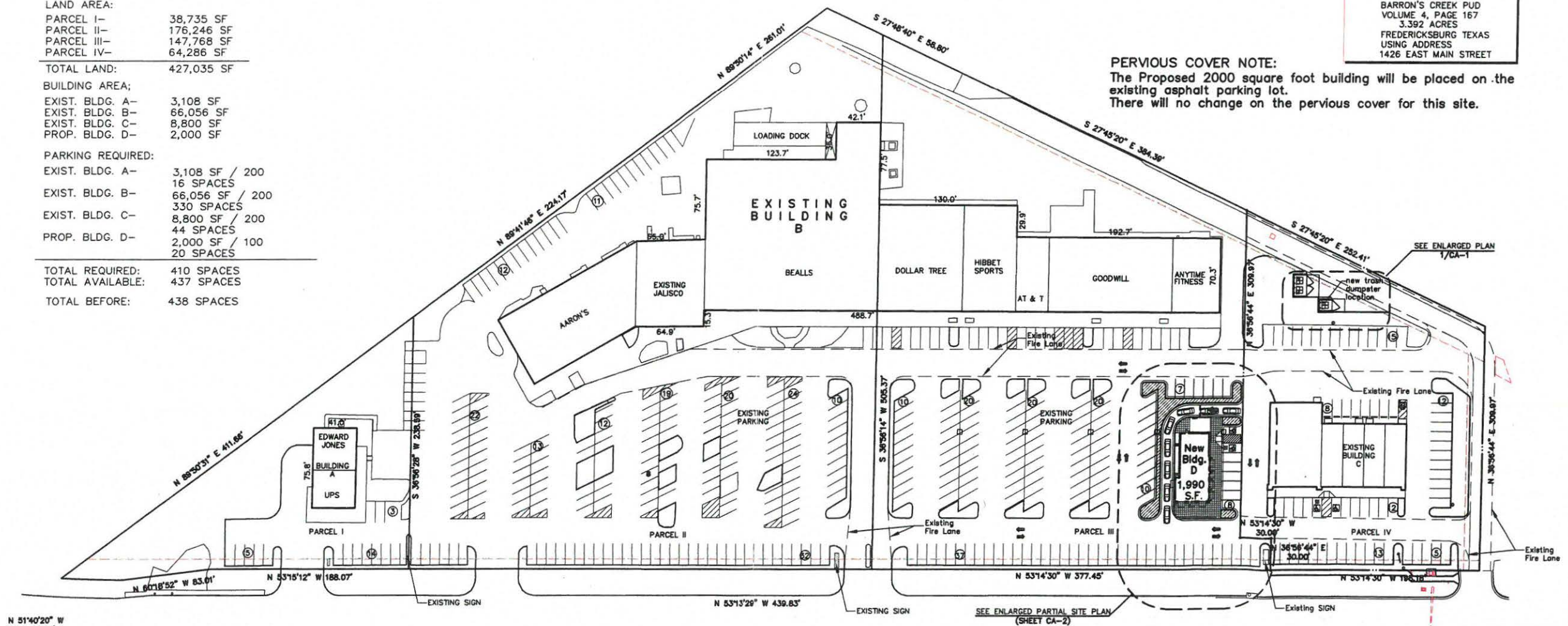


VICINITY MAP
NO SCALE

LAND AREA:	
PARCEL I-	38,735 SF
PARCEL II-	176,246 SF
PARCEL III-	147,768 SF
PARCEL IV-	64,286 SF
TOTAL LAND:	427,035 SF
BUILDING AREA:	
EXIST. BLDG. A-	3,108 SF
EXIST. BLDG. B-	66,056 SF
EXIST. BLDG. C-	8,800 SF
PROP. BLDG. D-	2,000 SF
PARKING REQUIRED:	
EXIST. BLDG. A-	3,108 SF / 200 SPACES
EXIST. BLDG. B-	66,056 SF / 200 SPACES
EXIST. BLDG. C-	8,800 SF / 200 SPACES
PROP. BLDG. D-	2,000 SF / 100 SPACES
TOTAL REQUIRED:	410 SPACES
TOTAL AVAILABLE:	437 SPACES
TOTAL BEFORE:	438 SPACES

LEGAL DESCRIPTION
LOT 18B-RR-BR
BARRON'S CREEK PUD
VOLUME 4, PAGE 167
3.392 ACRES
FREDERICKSBURG TEXAS
USING ADDRESS
1426 EAST MAIN STREET

PERVIOUS COVER NOTE:
The Proposed 2000 square foot building will be placed on the existing asphalt parking lot.
There will no change on the pervious cover for this site.



OVERALL SITE PLAN
SCALE: 1" = 50'-0"

1420 EAST MAIN STREET (U. S. HIGHWAY 290)

A New Starbucks Coffee at
Baron's Creek Shopping Center
MIMCO INC.
COMMERCIAL REAL ESTATE MANAGEMENT & INVESTMENTS
FREDERICKSBURG, TEXAS 78624
1406-28 E. MAIN STREET

1816 Wyoming Ave
Fredericksburg, TX 78603
Phone: 817.799.6033
Fax: 817.799.6033
Email: psrbb@mimcoinc.com
mimco
psrbb
commercial group inc.
OVERALL SITE PLAN
COMMISSION No.
17-051
DATE: 12-05-17
REVISIONS
SHEET: CA-1
OF



LEGAL DESCRIPTION
LOT 18B-RR-8R
BARRON'S CREEK PUD
VOLUME 4, PAGE 167
3.392 ACRES
FREDERICKSBURG TEXAS
USING ADDRESS
1426 EAST MAIN STREET



LEGEND:

- PROPERTY LINE
- PROPOSED STRUCTURAL SLAB
- PROPOSED CONCRETE
- PROPOSED LANDSCAPE
- PROPOSED NUMBER OF PARKING SPACES

KEYNOTES

- 1 NEW PARKING AREA.
- 2 NEW CURB.
- 3 NEW CONCRETE SIDEWALK / FLATWORK.
- 4 NEW ADA PARKING & RAMP.
- 5 NEW LANDSCAPE AREA.

PROJECT NOTES:

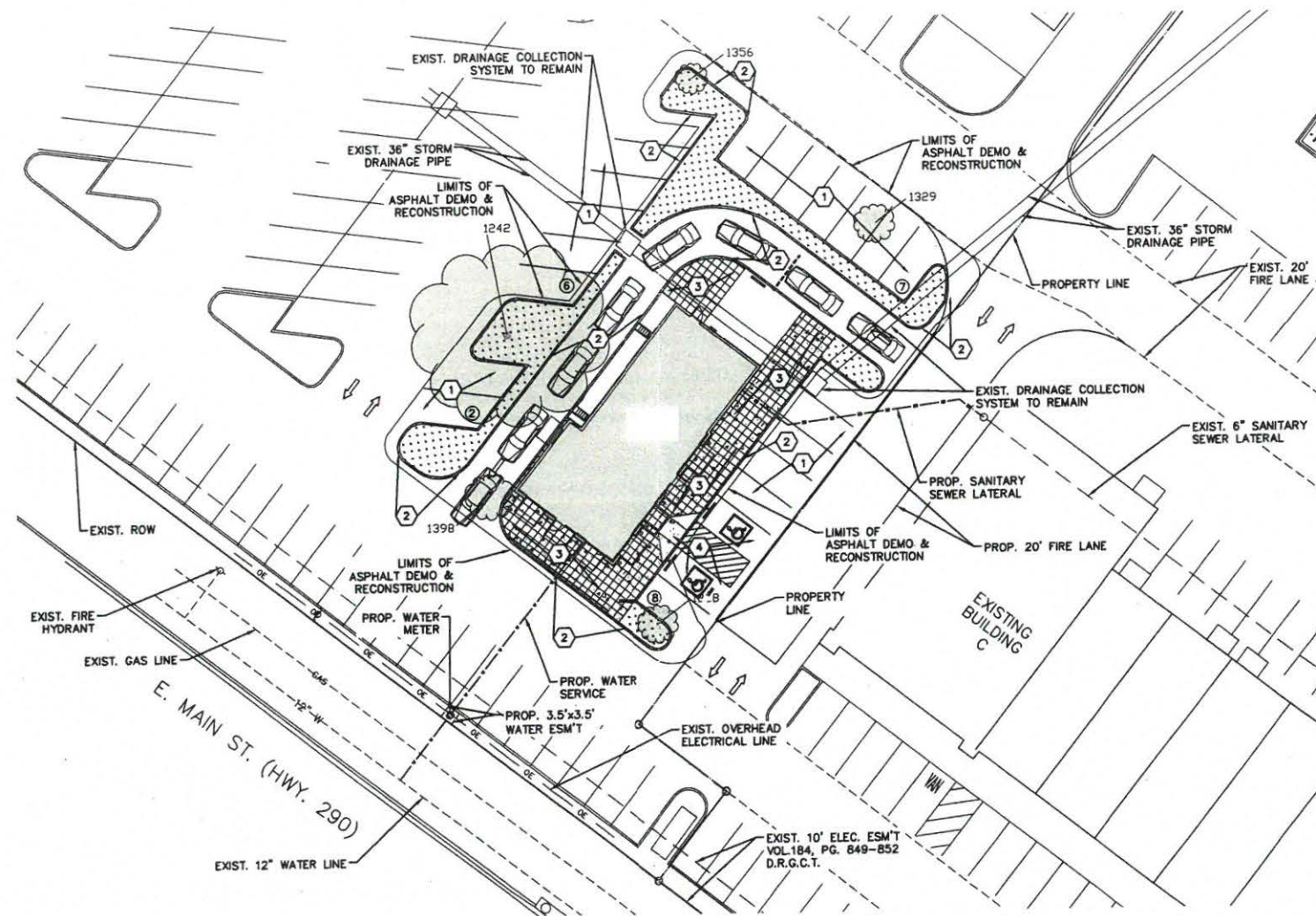
1. THE PROPOSED DEVELOPMENT WILL NOT ADVERSELY IMPACT THE EXISTING STORM DRAINAGE PATTERNS AND EXISTING STORM DRAINAGE SYSTEM.
2. THE EXISTING STORM DRAINAGE SYSTEM IS TO REMAIN ACTIVE, IN PLACE AND BE PROTECTED DURING CONSTRUCTION.

LANDSCAPING

1. PROP. LANDSCAPE AREA = 1,824.43 SQ. FT.
2. SEE TABLE BELOW FOR EXISTING TREES & DIAMETERS.
3. SEE TABLE BELOW FOR TREES TO BE REMOVED.

TREE TABLE	
TREE #	SPECIES/DIA"
1242	OAK 24"
1329	OAK 6"
1329	CELANO 5"
1355	UNKNOWN 5"
1398	OAK 6"

TOTAL TREE INCHES REMOVED TABLE	
TREE #	SPECIES/DIA"
1242	OAK 24"
1329	OAK 6"
1329	CELANO 5"
1355	UNKNOWN 5"
1398	OAK 6"
TOTAL 11 INCHES	



BENCHMARKS / CONTROL POINT DATA:

POINT NO.	NORTHING	EASTING	ELEVATION	DESCRIPTION
BM #1	14004958.24	2015142.76	1,627.69'	'X' ON CURB
CP #2	14004902.85	2015258.03	1,626.29'	MAG NAIL
CP #3	14004921.55	2015234.19	1,626.19'	MAG NAIL

ZONE: TEXAS CENTRAL, NAD83
COORDINATES: GRID COORDINATE
SCALE FACTOR = 1.00016



M&S ENGINEERING

CIVIL | ELECTRICAL | STRUCTURAL | MEPI SURVEYING

CONTACT: WWW.MSACAL.COM
PHONE: (830) 238-5446
FAX: (830) 885-2170
MAIN OFFICE: P.O. BOX 970
6477 FM 311
SPRING BRANCH, TX 78070
BRANCH OFFICE: 12719 SPECTRUM DR., STE. 100
SAN ANTONIO, TX 78249
PHONE: (210) 342-8700
CONTACT: JOSE J. SOSA, P.E.
PROJECT #: 17MIMCO.003

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JOSE J. SOSA, P.E. #104799, ON JANUARY 11, 2018. IT IS NOT TO BE USED FOR BIDDING, CONSTRUCTION OR PERMIT PURPOSES.

ENLARGED PARTIAL SITE PLAN

COMMISSION No. 17-051

DATE: 01-11-18

REVISIONS

SHEET: CA-2

2 OF 2

1810 WYOMING AVE
ST. PETERS, MO 65083
PH: 915.534.8082
FAX: 915.534.8083



ENLARGED PARTIAL SITE PLAN

COMMISSION No. 17-051

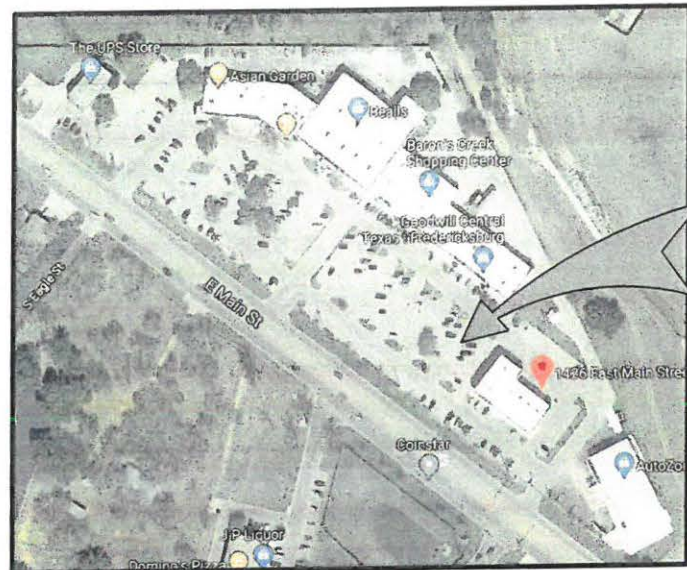
DATE: 01-11-18

REVISIONS

SHEET: CA-2

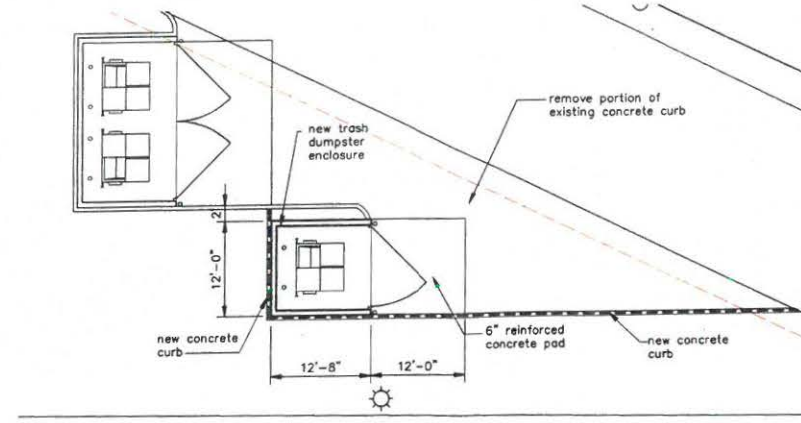
2 OF 2

A New Starbucks Coffee at
Baron's Creek Shopping Center
MIMCO INC.
COMMERCIAL REAL ESTATE MANAGEMENT & INVESTMENTS
1406-26 E. MAIN STREET
FREDERICKSBURG, TEXAS 78624

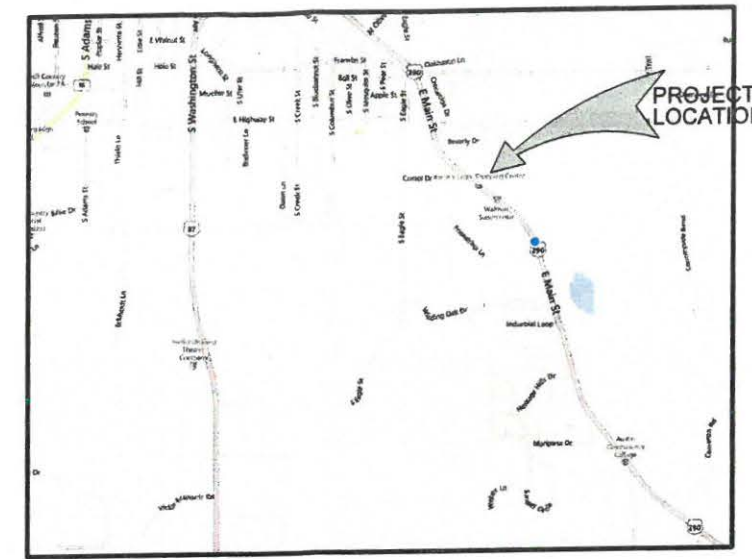


AERIAL PHOTOGRAPH
NO SCALE

PROJECT LOCATION



1 ENLARGED TRASH ENCLOSURE DETAIL
SCALE: 3/32" = 1'-0"



VICINITY MAP
NO SCALE

LEGAL DESCRIPTION
LOT 1, BLOCK A
HARBAGE SUBDIVISION
DOCUMENT 199900271
OF THE CITY OF
FREDERICKSBURG, TEXAS
Containing Approximately
9.8 ± Acres



N 51°40'20" W
LC=57.94'
R=1095.90'
A=57.94'
T=28.98'
D=301°46'

OVERALL SITE PLAN
SCALE: 1" = 50'-0"

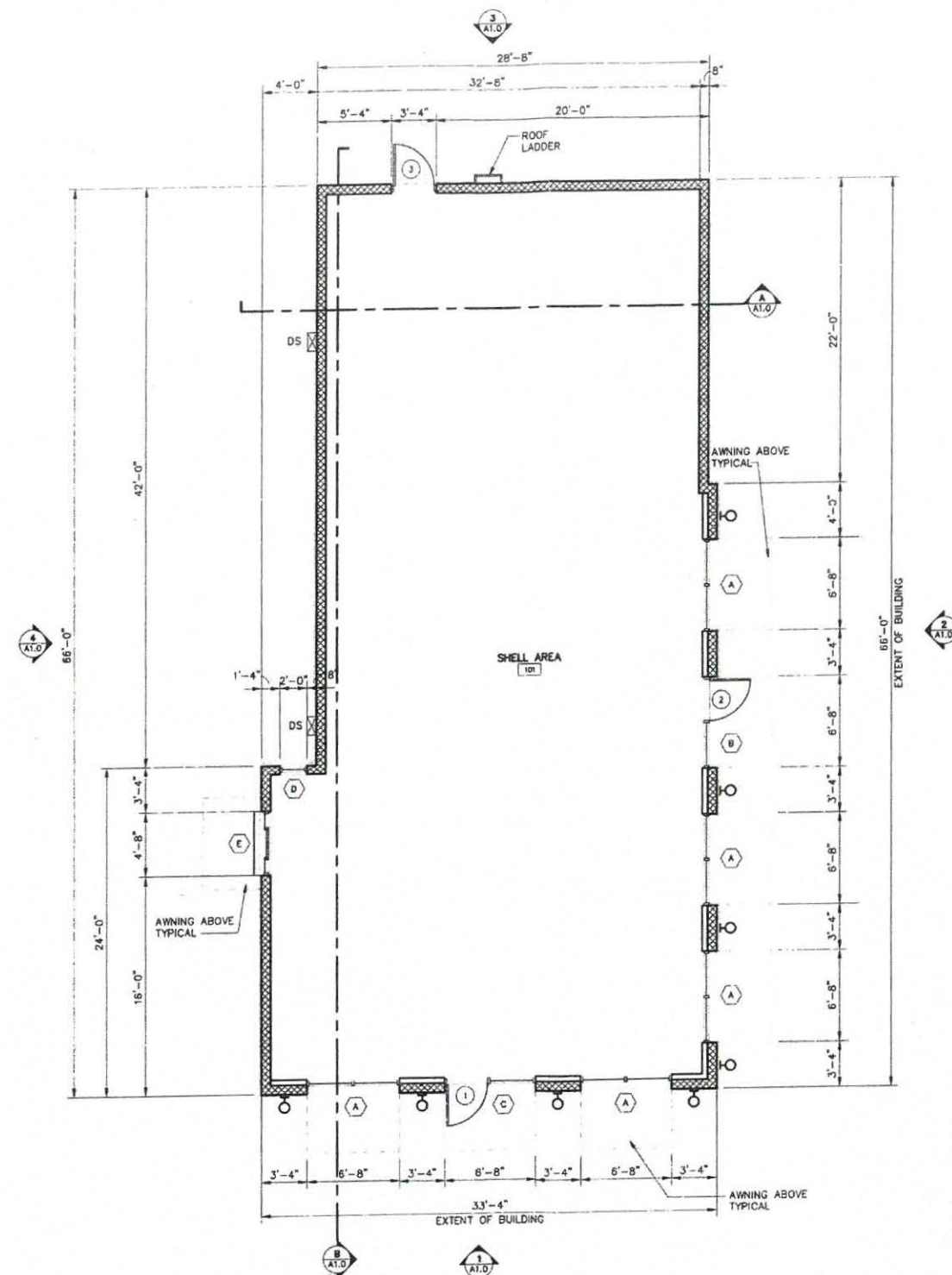
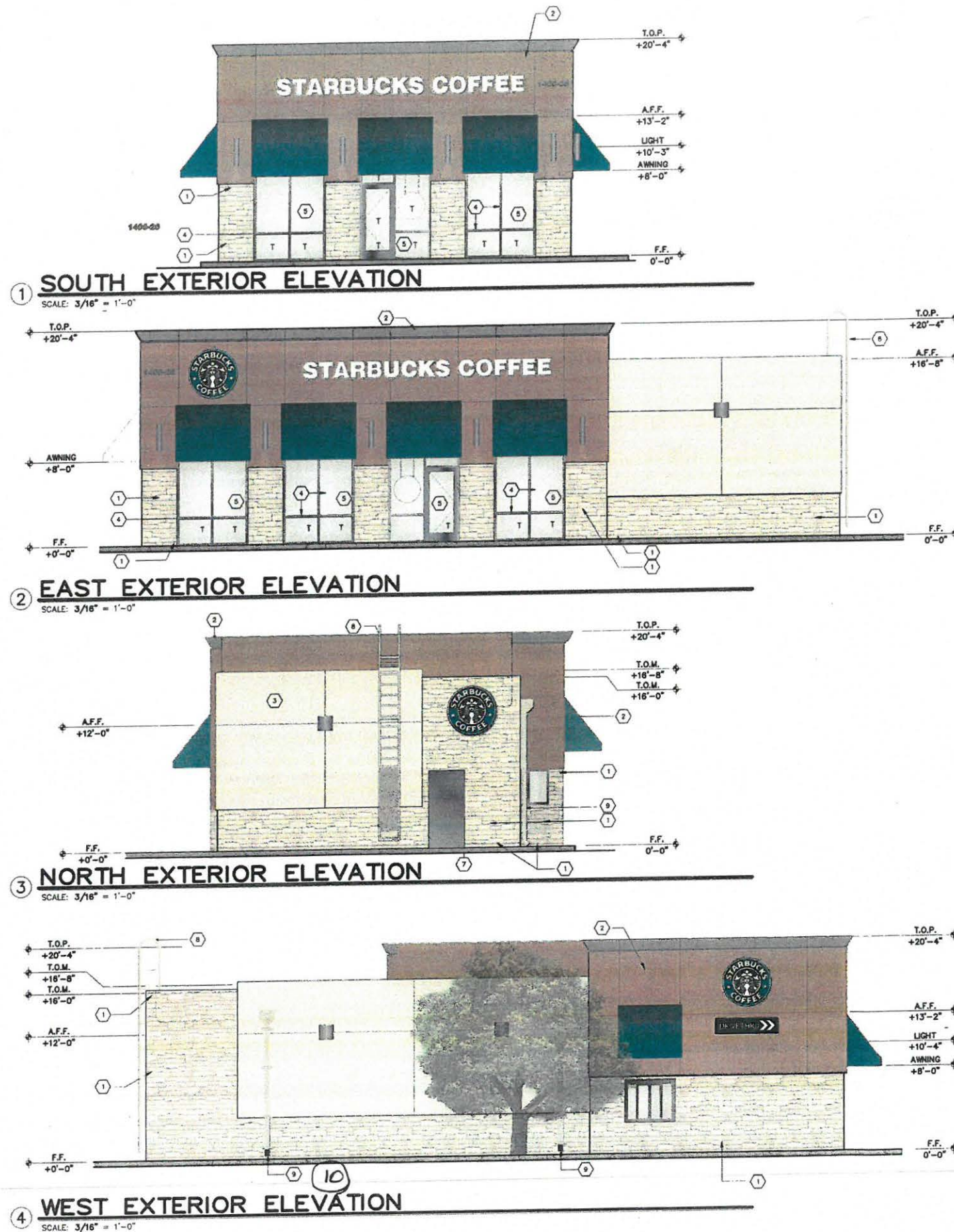
1420 EAST MAIN STREET (U. S. HIGHWAY 290)

A New Starbucks Coffee at
Baron's Creek Shopping Center
MIMCO INC.
Commercial Real Estate Management & Investments
1408-26 E. MAIN STREET
FREDERICKSBURG, TEXAS 78624

1810 Wyoming Ave
El Paso TX 79903
PH: 915-534-8082
FX: 915-534-8083

psrb
commercial group inc
designed by design

OVERALL SITE PLAN
COMMISSION No.
17-051
DATE: 12-05-17
REVISIONS
SHEET: **CA-1**
OF



EXTERIOR COLOR SELECTION			
NO.	MATERIAL	COLOR	REMARKS
1	STONE VENEER	AUSTIN CREAM	EL DORADO STONE - LIMESTONE
2	EIPS	SW 6095 - TOASTY	
3	EIPS	SW 7014 - ELDER WHITE	
4	ALUMINUM FRAMING	CLEAR ANODIZED	
5	GLAZING	CLEAR	
6	FABRIC AWNING	STARBUCKS GREEN	
7	METAL DOOR	TO MATCH ADJACENT	
8	ROOF LADDER	TO MATCH ADJACENT	
9	OUTLET & DOWNSPOT	TO MATCH ADJACENT	

C-5
SCHEME

1810 Wyoming Ave
El Paso, TX 79903
PH: 915.634.8082
FAX: 915.634.8083

MIMCO INC.
Commercial Real Estate Management & Investments

A New Starbucks Coffee at
Baron's Creek Shopping Center
1406-26 E. MAIN STREET
FREDERICKSBURG, TEXAS 78624

FLOOR PLAN & EXT. ELEVATIONS
COMMISSION No. 17-051
DATE: 12-05-17
REVISIONS
SHEET: A1.0
OF

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY TO APPROVE AN AMENDMENT TO THE PLANNED UNIT DEVELOPMENT PERTAINING TO A 3.392 ACRE PORTION OF SAID PLANNED UNIT DEVELOPMENT, BEING LOT 1 BB-RR-BR BARON'S CREEK P.U.D., SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS.

WHEREAS, an Application for Rezoning to amend the Planned Unit Development (PUD) Zoning which currently exists on the property, which portion to be amended is described as 3.392 acres of land being Lot 1 BB-RR-BR, Baron's Creek P.U.D., a resubdivision plat of which is found of record in the Plat Records of Gillespie County, has been submitted by the owner of the property to maintain the present zoning classification of PUD but to amend one or more of the conditions of said PUD, specifically to amend the conditions to provide a drive through facility associated with a drive-in/fast food restaurant and modify parking layout; and

WHEREAS, public hearings before the Planning and Zoning Commission and the City Council of the City of Fredericksburg have been duly noticed and held regarding such application, as required by the City of Fredericksburg Zoning Ordinance; and

WHEREAS, the Planning and Zoning Commission has determined that such zoning change is in conformity with the uses established by the Comprehensive Land Use Plan of the City of Fredericksburg and is consistent with the objectives of the City of Fredericksburg Zoning Ordinance, and has recommended to the City Council of the City of Fredericksburg, based upon positive findings under the review and evaluation criteria established by such ordinance, that the amendment to the PUD be enacted; and

WHEREAS, the City Council has specifically found, following public hearing, that such change is consistent with the objectives of the City of Fredericksburg Zoning Ordinance and Comprehensive Land Use Plan of the City of Fredericksburg and there has not been a protest against such amendment signed by owners of twenty percent (20%) or more either of the area of the property included in the zoning request, or of the area of the property immediately adjoining the same and extending two hundred feet (200') therefrom.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That the zoning ordinance of the City of Fredericksburg is hereby amended to incorporate the certain change as follows:

That the zoning classification of 3.392 acres of land being Lot 1 BB-RR-BR, Baron's Creek P.U.D., a resubdivision plat of which is found of record in the Plat Records of Gillespie County, and situated in the City of Fredericksburg, Gillespie County, Texas, be and is hereby amended to provide a drive through facility associated with a drive-in/fast food restaurant and modify parking layout, as shown on the PUD site plan dated 12-05-17, a copy of which is attached hereto as "Exhibit A".

Section 2. That other than as hereby amended, the conditions of the original PUD adopted, and as having been thereafter amended, are ratified and confirmed, and incorporated herein for all purposes.

Section 3. That this Ordinance shall take effect upon the date of its passage.

PASSED AND APPROVED on this the 19th day of February, 2018.

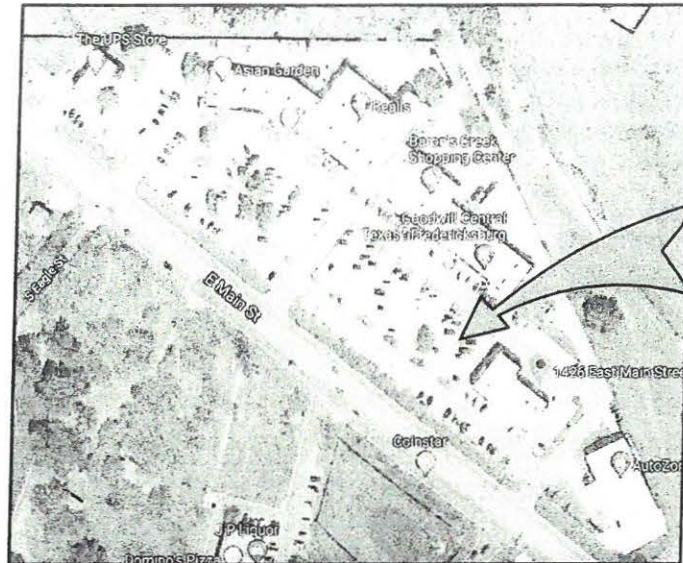
Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Britton, City Secretary

APPROVED AS TO FORM:

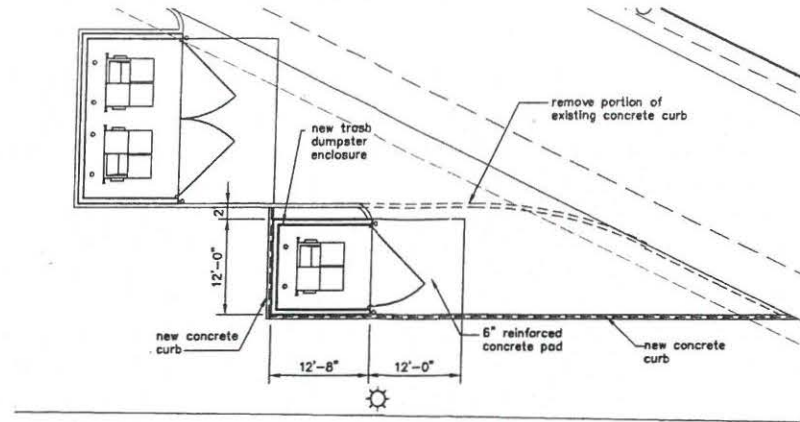
Daniel Jones, City Attorney



AERIAL PHOTOGRAPH

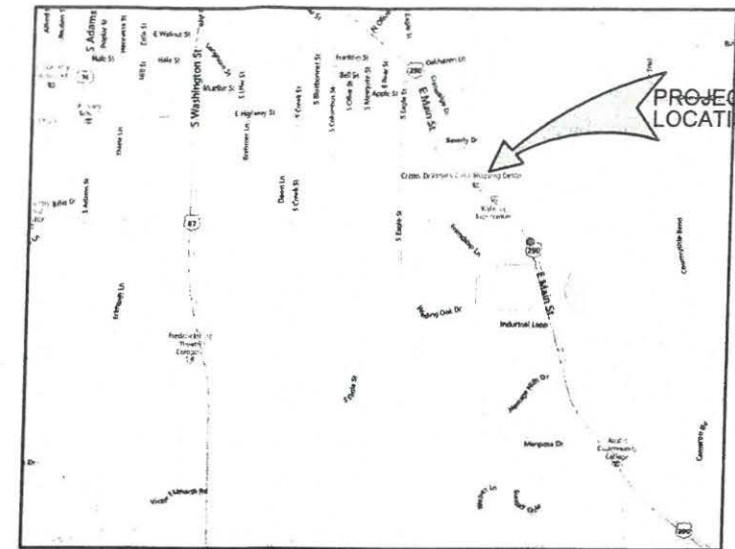
NO SCALE

PROJECT LOCATION



1 ENLARGED TRASH ENCLOSURE DETAIL

SCALE: 3/32" = 1'-0"



VICINITY MAP

NO SCALE

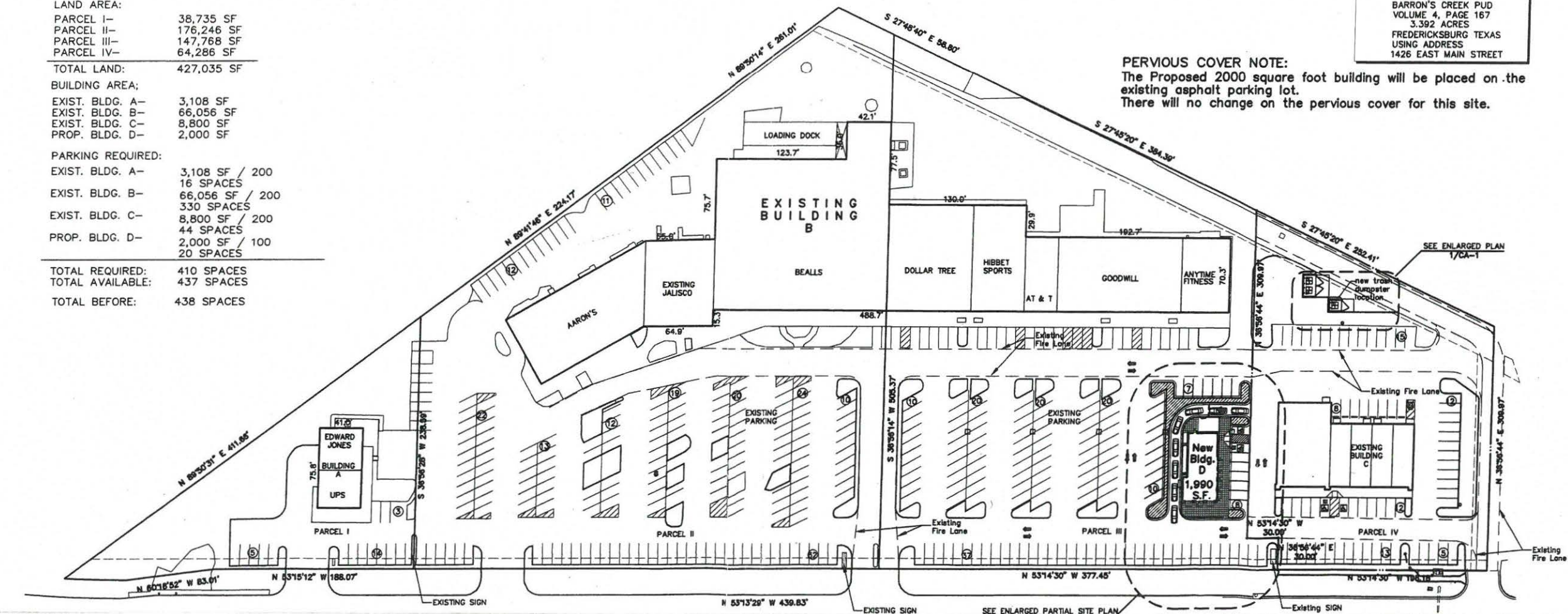
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EXIST. BLDG. B-	66,056 SF
EXIST. BLDG. C-	8,800 SF
PROP. BLDG. D-	2,000 SF
PARKING REQUIRED:	
EXIST. BLDG. A-	3,108 SF / 200
EXIST. BLDG. B-	16 SPACES
EXIST. BLDG. C-	66,056 SF / 200
EXIST. BLDG. D-	330 SPACES
EXIST. BLDG. E-	8,800 SF / 200
EXIST. BLDG. F-	44 SPACES
PROP. BLDG. G-	2,000 SF / 100
PROP. BLDG. H-	20 SPACES
TOTAL REQUIRED:	410 SPACES
TOTAL AVAILABLE:	437 SPACES
TOTAL BEFORE:	438 SPACES

LEGAL DESCRIPTION

LOT 18B-RR-BR
BARRON'S CREEK PUD
VOLUME 4, PAGE 167
3.392 ACRES
FREDERICKSBURG TEXAS
USING ADDRESS
1426 EAST MAIN STREET

PERVIOUS COVER NOTE:

The Proposed 2000 square foot building will be placed on the existing asphalt parking lot.
There will no change on the pervious cover for this site.



N 51°40'20" W
LC=57.94'
R=1095.90'
A=57.94'
T=28.95'
D=370'146"



OVERALL SITE PLAN

SCALE: 1" = 50'-0"

1420 EAST MAIN STREET (U. S. HIGHWAY 290)

A New Starbucks Coffee at
Baron's Creek Shopping Center

MIMCO INC.

COMMERCIAL REAL ESTATE MANAGEMENT & INVESTMENTS

FREDERICKSBURG, TEXAS 78624



1810 WYOMING AVE
SUITE 100
FREDERICKSBURG, TEXAS 78603
PH: 817.534.8082
FX: 817.534.8083

psrb
commercial group inc.

OVERALL SITE PLAN

COMMISSION No.
17-051

DATE: 12-05-17

REVISIONS

SHEET: CA-1

OF



CITY COUNCIL MEMO

DATE: February 13, 2018

TO: Mayor and City Council

FROM: Daniel Jones, City Attorney 

SUBJECT: 175th Anniversary Committee funds transfer

Summary:

The City Council approved a resolution on February 5, 2017, authorizing the transfer of funds to the 175th Anniversary Committee. The City Council is being asked to reconsider the resolution, with the members of the 175th Anniversary Committee abstaining from the item, to ensure that the City Council's action is effective.

Recommendation:

It is recommended that the City Council ratify and approve the resolution authorizing the transfer of funds to the 175th Anniversary Committee, with the members of the 175th Anniversary Committee abstaining from the item.

Background / Analysis:

The City Council approved a resolution on February 5, 2017, authorizing the transfer of funds to the 175th Anniversary Committee. One member of the Council was absent, leaving only four voting members of the Council present at the meeting. Additionally, two members of the City Council are also on the 175th Anniversary Committee and may have a conflict of interest related to the item. To ensure that the Council's action is valid and binding per the City Charter, it is recommended that the City Council ratify and re-approve the resolution authorizing the transfer of funds to the 175th Anniversary Committee, with the two members of the 175th Anniversary Committee abstaining from the item.

The City of Fredericksburg

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Attachments:

Resolution authorizing the transfer of funds to the 175th Anniversary Committee



Department Approval



City Manager Approval

The City of Fredericksburg

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126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861



CITY COUNCIL MEMO

DATE: February 14, 2018
TO: Mayor and City Council
FROM: Anna Hudson, Historic Preservation Officer
SUBJECT: Resolution for landmark properties

Summary:

City Council previously took action to designate 502 E Main and 612 S Washington as local historic landmarks. The attached resolutions are used as legal instruments to file in County deed records so that all future property owners will be given notice of such designation.

Recommendation:

Staff recommends approval of the proposed resolutions as a way of creating a legal instrument to be filed with deed records.

Background / Analysis:

The Historic Review Board made a recommendation on January 9, 2018, and City Council took action on February 5, 2018, to designate 612 S Washington as a high-rated local landmark. The Historic Review Board made a recommendation on December 12, 2017, and City Council took action on January 15, 2018, to designate 502 E Main as a high-rated local landmark.

Attachments:

1. Resolution for 502 E Main
2. Resolution for 612 S Washington



Department Approval





City Manager Approval

**A RESOLUTION OF THE CITY OF FREDERICKSBURG, TEXAS,
DESIGNATING A LOCAL HISTORIC LANDMARK PURSUANT TO §23-
57 OF THE CODE OF ORDINANCES, CITY OF FREDERICKSBURG,
TEXAS.**

WHEREAS, the designation "Historic Landmark" recognizes that a historic location, or a building or other appurtenance upon a historic location, are of vital importance for the preservation of culture and neighborhoods, economic development, and promotion of tourism; and

WHEREAS, as a matter of public policy, the City of Fredericksburg ("City") desires to preserve features in the City which have historical, cultural, or architectural merit, thereby promoting the prosperity, education, and general welfare of the people living in and visiting Fredericksburg; and

WHEREAS, the City's Historic Review Board has considered a request for designation of the subject location as a historic landmark, at a meeting held in accordance with the procedures set forth in §23-60 of the Code of Ordinances, City of Fredericksburg, Texas; and

WHEREAS, the City Council has duly considered the recommendations of City staff and the City's Historic Review Board related to this designation of a historic landmark.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL of the City of Fredericksburg, Texas, that the City hereby designates the property located at *502 E. Main Street, Fredericksburg, Texas*, as a "Historic Landmark" pursuant to §23-57 of the Code of Ordinances, City of Fredericksburg, Texas.

PASSED AND APPROVED this _____ day of _____, 20__

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

**A RESOLUTION OF THE CITY OF FREDERICKSBURG, TEXAS,
DESIGNATING A LOCAL HISTORIC LANDMARK PURSUANT TO §23-
57 OF THE CODE OF ORDINANCES, CITY OF FREDERICKSBURG,
TEXAS.**

WHEREAS, the designation "Historic Landmark" recognizes that a historic location, or a building or other appurtenance upon a historic location, are of vital importance for the preservation of culture and neighborhoods, economic development, and promotion of tourism; and

WHEREAS, as a matter of public policy, the City of Fredericksburg ("City") desires to preserve features in the City which have historical, cultural, or architectural merit, thereby promoting the prosperity, education, and general welfare of the people living in and visiting Fredericksburg; and

WHEREAS, the City's Historic Review Board has considered a request for designation of the subject location as a historic landmark, at a meeting held in accordance with the procedures set forth in §23-60 of the Code of Ordinances, City of Fredericksburg, Texas; and

WHEREAS, the City Council has duly considered the recommendations of City staff and the City's Historic Review Board related to this designation of a historic landmark.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL of the City of Fredericksburg, Texas, that the City hereby designates the property located at *612 S. Washington Street, Fredericksburg, Texas*, as a "Historic Landmark" pursuant to §23-57 of the Code of Ordinances, City of Fredericksburg, Texas.

PASSED AND APPROVED this _____ day of _____, 20__

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney



CITY COUNCIL MEMO

DATE: February 19, 2018

TO: Mayor and City Council

FROM: Garret Bonn, P.E., CFM – Asst. City Engineer

SUBJECT: Annual Sidewalk Program – Additional Work Authorization

Summary:

On November 6, 2017, City Council authorized the use of \$50,000 of the approved FY 2018 budget of \$100,000 for the Annual Sidewalk Contract with Hazelett Concrete Contractors. Before Council is authorization to proceed with construction of additional sidewalk improvements with the remaining \$50,000 from the approved budget.

Recommendation:

City staff recommends authorization to utilize the remaining \$50,000 from the approved FY 2018 Budget amount of \$100,000 for the City's Sidewalk Improvement program

Background / Analysis:

As discussed at the October 16th and November 7th Council meetings, the possibility of only authorizing \$50,000 of the approved budget of \$100,000 for the sidewalk project was reviewed by the City Attorney and ultimately approved by City Council. This was due to concerns about how sales tax returns would be impacted by Hurricane Harvey and other weather-related events. Since that time, sidewalk improvements have been completed along W. College near Fredericksburg Middle School, S. Adams

The City of Fredericksburg

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between Highway St. and Fredericksburg Primary School, and at the intersection of E. San Antonio and S. Llano.

In order to complete additional sidewalk improvement projects this fiscal year, authorization to utilize the remaining \$50,000 from the approved budget will be required. According to the most recent sales receipts (attached), sales tax revenues for both the City and Gillespie County have seen a steady increase over the past few months. The sales tax reporting lags two months behind so you may notice that City sale receipts for Nov. 2017 (which reflects September receipts after Hurricane Harvey hit the Texas coast in late August) was down but they have since made a strong comeback.

Based on this information, City staff is recommending authorization to proceed with the use of the remaining \$50,000 from the approved budget. As you may recall, priority projects for FY 2018 were identified on the attached exhibit which has been updated with estimated costs and current status. Since our last discussion, staff has also received a request from Pioneer Museum to make sidewalk improvements in the 300 block of W. Main St. which have an estimated cost of \$23,271 (copy of request attached for your reference along with photos of the existing conditions). Although this section of W. Main St. has a concrete sidewalk along it, a number of driveways exceed ADA requirements for cross slopes so this project would remove and reconstruct the existing concrete flatwork with no driveways. Another possible project would be the extension of a sidewalk along the west side of N. Milam between Cross Mountain Dr. and Cross Mountain Park at an estimated cost of \$23,492 (pending TxDOT requirements). If additional funding is to be authorized, staff would ask for Council's priority order to complete these projects.

Attachments:

Sales Tax Information

Sidewalk Project Exhibit

Sidewalk Improvement Request from Pioneer Museum and Photos of Existing Conditions


Department Approval


City Manager Approval

The City of Fredericksburg

(21)

OCTOBER SALES RECEIPTS (ADJUSTED)

December Sales Tax Report

City of Fredericksburg

	2017	2016	2015	2014	2013
JAN	436,830	422,134	412,418	379,357	371,011
FEB	537,375	559,247	498,089	444,617	460,612
MAR	432,032	364,574	326,841	317,896	287,192
APR	367,972	358,354	338,634	321,600	305,185
MAY	520,494	515,856	446,941	428,705	410,298
JUN	445,867	414,373	419,525	390,321	344,877
JUL	441,043	419,804	432,977	381,945	356,824
AUG	480,652	457,926	468,102	413,020	388,750
SEP	428,188	416,583	439,823	384,977	356,449
OCT	401,845	386,175	372,961	364,575	348,852
NOV	459,809	464,350	427,445	402,698	365,777
DEC	440,915	426,411	417,474	407,064	356,366
Total	5,393,022	5,205,787	5,001,230	4,636,775	4,352,193

	Dec 17	Dec 16	Change	YTD 2017	YTD 2016	Change
Fredericksburg	440,915	426,411	3.40%	5,393,022	5,205,787	3.60%
Gillespie County	205,433	190,816	7.66%	2,408,777	2,299,529	4.75%
Combined	646,348	617,227	4.72%	7,801,799	7,505,316	3.95%

Gillespie County

	2017	2016	2015	2014	2013
JAN	189,950	175,729	175,516	159,204	155,374
FEB	242,586	252,663	222,312	201,866	194,530
MAR	186,372	151,775	141,721	136,269	120,942
APR	170,913	162,424	147,416	146,228	132,160
MAY	233,000	237,360	203,552	196,529	189,163
JUN	204,548	189,228	184,165	177,098	151,044
JUL	195,868	181,451	187,321	177,344	154,810
AUG	212,609	210,941	205,412	188,287	149,451
SEP	184,622	181,154	185,375	170,233	150,774
OCT	173,383	164,353	158,272	159,235	146,036
NOV	209,493	201,635	192,673	185,001	166,411
DEC	205,433	190,816	184,264	183,912	158,129
Total	2,408,777	2,299,529	2,187,999	2,081,206	1,868,824

Shaded numbers have been adjusted to reflect future period collections but not prior period collections.

NOVEMBER SALES RECEIPTS (ADJUSTED)

January Sales Tax Report

City of Fredericksburg

	2018	2017	2016	2015	2014
JAN	496,771	436,830	422,134	412,418	379,357
FEB		537,375	559,247	498,089	444,617
MAR		432,032	364,574	326,841	317,896
APR		367,972	358,354	338,634	321,600
MAY		520,494	515,856	446,941	428,705
JUN		445,867	414,373	419,525	390,321
JUL		441,043	419,804	432,977	381,945
AUG		480,652	457,926	468,102	413,020
SEP		428,188	416,583	439,823	384,977
OCT		401,845	386,175	372,961	364,575
NOV		459,809	464,350	427,445	402,698
DEC		440,915	426,411	417,474	407,064
Total	496,771	5,393,022	5,205,787	5,001,230	4,636,775

	Jan 18	Jan 17	Change	YTD 2017	YTD 2016	Change
Fredericksburg	496,771	436,830	13.72%	496,771	436,830	13.72%
Gillespie County	215,934	189,950	13.68%	215,934	189,950	13.68%
Combined	712,705	626,780	13.71%	712,705	626,780	13.71%

Gillespie County

	2018	2017	2016	2015	2014
JAN	215,934	189,950	175,729	175,516	159,204
FEB		242,586	252,663	222,312	201,866
MAR		186,372	151,775	141,721	136,269
APR		170,913	162,424	147,416	146,228
MAY		233,000	237,360	203,552	196,529
JUN		204,548	189,228	184,165	177,098
JUL		195,868	181,451	187,321	177,344
AUG		212,609	210,941	205,412	188,287
SEP		184,622	181,154	185,375	170,233
OCT		173,383	164,353	158,272	159,235
NOV		209,493	201,635	192,673	185,001
DEC		205,433	190,816	184,264	183,912
Total	215,934	2,408,777	2,299,529	2,187,999	2,081,206

Shaded numbers have been adjusted to reflect future period collections but not prior period collections.



Gillespie County

Economic Development Commission

302 E. AUSTIN ST. FREDERICKSBURG, TX 78624

December 13, 2017
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BUILDING PERMITS - #	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
Residential - City	49	55	-11%	109	122	-11%
Commercial - City	7	17	-59%	32	45	-29%
TOTAL	56	72	-22%	141	167	-16%

BUILDING PERMITS - \$ VALUE	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
Residential - City	\$6,597,074.25	\$7,992,685.00	-17%	\$13,484,765.25	\$16,241,033.00	-17%
Commercial - City	\$9,276,000.00	\$4,099,402.00	126%	\$31,489,593.00	\$15,649,004.00	101%
TOTAL	\$15,873,074.25	\$12,092,087.00	31%	\$44,974,358.25	\$31,890,037.00	41%

COUNTY SEPTIC PERMITS	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
TOTAL	78	61	28%	200	161	24%

HCUWCD WELL PERMITS	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
TOTAL	31	57	-46%	156	151	3%

SALES TAX (ADJUSTED)	3rd QUARTER 2017 (actual)	3rd QUARTER 2016 (actual)	% CHANGE	YTD 2017	YTD 2016	% CHANGE
City	\$1,289,842.00	\$1,267,108.00	2%	\$3,977,902.00	\$3,797,995.00	5%
County	\$567,498.00	\$547,142.00	4%	\$1,770,808.00	\$1,680,321.00	5%
TOTAL	\$1,857,340.00	\$1,814,250.00	2%	\$5,748,710.00	\$5,478,316.00	5%

LODGING RECEIPTS	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
Fredericksburg	\$12,386,658.07	\$11,887,221.00	4%	\$39,610,209.43	\$36,520,855.69	8%
Stonewall	\$128,128.69	\$141,589.00	-10%	\$457,515.22	\$518,995.01	-12%
Harper	\$14,356.14	\$12,890.00	11%	\$55,692.38	\$29,431.52	89%
Doss	\$5,278.20	\$19,415.00	-73%	\$34,533.20	\$61,601.31	-44%
Willow City	\$4,850.00	\$13,300.00	-64%	\$37,417.00	\$54,457.00	-31%
TOTAL	\$12,539,271.10	\$12,074,415.00	4%	\$40,195,367.23	\$37,185,340.53	8%

VISITOR CENTER ATTENDANCE	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
TOTAL	11,670	13,806	-15%	42,934	50,493	-15%



Gillespie County

Economic Development Commission

302 E. AUSTIN ST. FREDERICKSBURG, TX 78624

December 13, 2017

Page 2

REAL ESTATE - # SALES	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
Residential	94	95	-1%	263	248	6%
Land	42	51	-18%	167	148	13%
Commercial	7	5	40%	22	14	57%
TOTAL	143	151	-5%	452	410	10%

REAL ESTATE - \$ VALUE	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
Residential	\$40,389,430.00	\$37,193,711.00	9%	\$114,301,305.00	\$98,647,408.00	16%
Land	\$14,675,279.00	\$17,576,103.00	-17%	\$67,405,868.00	\$51,540,444.00	31%
Commercial	\$5,617,000.00	\$3,230,000.00	74%	\$21,690,650.00	\$9,725,013.00	123%
TOTAL	\$60,681,709.00	\$57,999,814.00	5%	\$203,397,823.00	\$159,912,865.00	27%

AIRPORT FUEL SALES - GALS	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
AvGas	24,013	22,626	6%	72,471	70,630	3%
Jet A	56,361	53,482	5%	184,663	141,610	30%
TOTAL	80,374	76,108	6%	257,134	212,240	21%

CTEC NEW METERS	3rd QUARTER 2017	3rd QUARTER 2016	% CHANGE	YTD 2017	YTD 2016	% CHANGE
General/Residential	79	78	1%	232	272	-15%
Commercial	24	8	200%	66	40	65%
TOTAL	103	86	20%	298	312	-4%

UNEMPLOYMENT	GILLESPIE COUNTY			TEXAS		
	September-17	September-16	% CHANGE	September-17	September-16	% CHANGE
Labor Force	13,004	12,807	2%	13,499,113	13,359,661	1%
Employment	12,683	12,418	2%	12,955,476	12,712,681	2%
Unemployment	321	389	-17%	543,637	646,980	-16%
% Unemployed	2.5	3.0	-17%	4.0	4.8	-17%

Information compiled by Gillespie County Economic Development Commission (edc@fbgtx.org). Sources: City of Fredericksburg, Gillespie County, Fredericksburg Convention and Visitors Bureau, Gillespie County Board of Realtors, Hill Country Underground Water Conservation District, Texas Comptrollers Office, Texas Workforce Comm., US Department of Labor, Fredericksburg FBO, Central Texas Electric Co-op

City of Fredericksburg Sidewalk Plan - 2015

Adopted by City Council: June 1, 2015

Proposed FY2018 Sidewalk Improvements

- 1) East side of South Llano between East San Antonio and Barons Creek
Int. improvements completed
- 2) West side of South Milam between West Windcrest and West Walch Ave
Estimated cost => \$39,034
- 3) West side of South Milam between West Main and West San Antonio
Awaiting plan from property owner
- 4) South side of West College from North Adams to North Orange (near Fredericksburg Middle School)
Completed
- 5) West side of South Orange from West San Antonio to Barons Creek (Frantzen Park Pedestrian Bridge)
Estimated cost => \$21,325
- 6) West side of South Adams from Highway Street to FUSD Primary School
Completed
- 7) Repair of Pedestrian Portion of North Crockett Bridge over Town Creek
Estimated cost => \$5,000

Legend

-  FY2018 Proposed Sidewalk Improvements
-  Completed Projects
-  Proposed Sidewalks
-  Existing Sidewalks
-  City Limit Boundary
-  Historic District



Not To Scale

From: [Jeryl Hoover](#)
To: [Kent Myers](#)
Cc: [Clinton Bailey](#); [Garret Bonn](#)
Subject: Re: Sidewalk 300 block of W Main
Date: Tuesday, January 16, 2018 5:49:10 PM

Kent,

Thank you for your timely response to our request.

Yes, I would like you to ask the Council to consider our request as a priority at the 2/19 meeting. I offer the following reasons:

1. This is a highly significant part of downtown to not have the best and most up-to-date sidewalk that fits the improvement concept the City has adopted.
2. This portion of West Main is a magnet for high pedestrian traffic, and with the extensive renewal of Altdorf's Biergarten, it will only grow.
3. There are many attractive businesses and activities in this block, and there is no off the street public parking. This requires everyone to take a sidewalk.
4. The current walkway is not really a sidewalk at all, but a series of driveways sloped toward the street. This is inconsistent with what I believe is the City's interest in improving sidewalks throughout town. Also, in the era of ensuring public accessibility, it is important to better accommodate people on walkers, using canes, and in wheel chairs.
5. The City already built a portion of sidewalk in front of the Kammlah House last year, which now accents the inconsistency of form and design. This seems in conflict with the whole point of sidewalk improvements.
6. The members of the HRB unanimously approved the recommendation for a new sidewalk at that spot. They saw the obvious incompatibility of our plans and the current sidewalk configuration.

The other reasons I can give are admittedly self-serving to the Museum, but not unimportant.

We are trying very hard to raise the standard of the visual appeal of our grounds and know we will benefit when it is done. Growing the number of paid admissions, doing more tours, and in general making the Museum more important and appealing to more people is our daily task.

As the local history museum working every day to preserve the history, customs and culture of our German forbearers, it matters that our property show off a high standard of attractiveness.

Finally, we are anxious to do our part, after years of being unable to, to the visual appeal of town all the way up and down Main Street. We have the funds in hand and are ready without delay to make that corner as attractive as any public space in town. Redoing that sidewalk would be the icing on the cake.

This isn't germane, but I can't help but chuckle about this. As mayor, I fussed quite a bit at Brian about the City regulations requiring property owners to fund sidewalks at what seemed to be unnecessary places where pedestrian traffic was unlikely. I now find the shoe slightly on the other foot, and while our request I remain steadfast that it is the right thing for the reasons I've given above.

Thank you for considering our request and letting me make my case. Please ask the Council to make this a priority at the 2/19 meeting. I am available to you, other staff, or the Council to do anything further to support my request.

Jeryl

From: Kent Myers <kmyers@fbgtx.org>
Sent: Tuesday, January 16, 2018 10:39:42 AM
To: Jeryl Hoover
Cc: Clinton Bailey; Garret Bonn
Subject: Sidewalk 300 block of W Main

Jeryl,

This serves to respond to your recent request for City assistance with sidewalk improvements along W. Main St. in front of the Pioneer Museum.

At the present time, all of our current funding for sidewalk improvements (\$50,000) has been committed to other sidewalk projects. However, on February 19 City staff plans on presenting to the Council a request for another \$50,000 to fund additional sidewalk improvements.

Your project was not included on a priority list that was presented to the Council last year. However, the Council can change this priority list when they consider our request for additional funding. The estimated costs for the demolition and construction of your improvements is \$23,271 so your project would use about ½ of the additional funding.

Please let me know if you would like the Council to consider your project as a priority at their February 19 meeting.

Kent Myers
City Manager
City of Fredericksburg
(830) 998-4101
kmyers@fbgtx.org

From: Jeryl Hoover [<mailto:jhoover@pioneermuseum.net>]
Sent: Thursday, January 11, 2018 9:56 AM
To: Kent Myers
Subject: Sidewalk 300 block of W Main

Kent,

Thank you for your help on the phone yesterday.

As requested, this is an explanation of our sidewalk request, supported by a recommendation from the HRB.

We have been approved to install an attractive, historically compatible rock wall along Main Street frontage with a gated entrance into the grounds for large events. The wall is to extend from the western edge of the white picket fence in front of the Fassel Roeder House straight down our property line to a few feet from our current entrance to the DB House. In order to improve the aesthetics and to make it safer for pedestrians, we are requesting the City construct the public sidewalk consistent with what was built in front of the Kammlah House last year to adjoin the aggregate sidewalk in front of the DB House. It is the recommendation of the HRB and ours as well, that the entire area be reconfigured to install new curbing consistent with the corner of Milam and Main in front of our entrance. We will no longer need driveway access from Main and will always use the entrance on Milam Street for our loading in/out needs for grounds events.

Additionally, you will see in the photo titled "Main Street Property Line" that the current driveway sidewalk appears to encroach into our grounds by approximately 2 ½ to 3 ft., and our wall will be constructed on a straight line from the picket fence toward the west. So demolition of this must be accomplished prior to our wall construction.

This request has a degree of urgency because the sidewalk must be completed before we can begin. I realize it's a stretch and weather dependent, but it is our hope to have our wall completed by the opening day of Spring Break on Saturday, March 10.

I appreciate your attention to this and invite you to contact me with further questions or clarifications.

Thanks, Kent.

JH

Dr. Jeryl Hoover
Executive Director
Gillespie County Historical Society
Pioneer Museum
830-990-8441
830-456-9550







CITY COUNCIL MEMO

DATE: February 14, 2018

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: HOT Funding-Fredericksburg Texas Anniversary Committee

Summary:

The Fredericksburg Texas Anniversary Committee has requested \$15,000 to support their plans for the 175th Anniversary celebration.

Recommendation:

It is recommended that the City Council approve a HOT allocation of \$15,000 for the Fredericksburg Anniversary Committee.

Background / Analysis:

At the last City Council meeting this request for HOT funding was tabled due to the fact that the Mayor and Councilman Neffendorf had to recuse themselves due to serving on the Anniversary Committee. Only two other Council members were present for this meeting. Therefore, this item is being presented back to the City Council for consideration.

Attachments:



Department Approval



City Manager Approval

The City of Fredericksburg

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126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861



CITY COUNCIL MEMO

DATE: February 14, 2018
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Attainable Housing Demand Study

Summary:

The attached Housing Demand Study was recently completed by Darrell Jack with Apartment Market Data LLC. It will be presented and discussed at Monday's Council meeting.

Recommendation:

It is recommended that the Council review and discuss the attached Housing Demand Study covering the need for attainable housing.

Background / Analysis:

The attached Housing Demand Study was completed by Darrell Jack under contract with the EDC. Mr. Jack will be present at Monday's Council meeting to summarize this study and respond to any questions. Following his presentation, we will discuss the next steps for addressing the housing needs identified in this study.

Attachments:

Housing Demand Study

The City of Fredericksburg

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Department Approval


City Manager Approval

The City of Fredericksburg

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APARTMENT MARKETDATA, LLC

**Housing Demand Study
for
City of Fredericksburg
Fredericksburg, Texas**

Client:

**Mr. Tim Lehmberg
Executive Director
Gillespie County Economic Development
Commission, Inc.
302 E. Austin St.
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APARTMENT MARKETDATA REPORT

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**HOUSING DEMAND STUDY
FREDERISCKSBURG, TEXAS**

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CHAPTER 1

CONCLUSIVE STATEMENTS AND SUMMARY OF FINDINGS

1.1 - PURPOSE OF THE STUDY

The purpose of this study was to perform a housing analysis for the City of Fredericksburg, Texas. The following study takes into consideration the current housing supply, both single and multi-family, forecast growth of the local demographics, and data supplied by local employers and officials.

1.2 – ASSUMPTIONS, CONTINGENCY & LIMITING CONDITIONS

The analysis of the data and the conclusions determined from such an analysis require the making of a number of assumptions and the conclusions drawn are limited by a number of conditions. The reader is strongly encouraged to read these assumptions and limiting conditions.

These conditions are a part of the report. They are preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that Apartment MarketData's function is to provide and present a housing analysis for the City of Fredericksburg, Texas.

Furthermore, numerous specific minor assumptions required for analysis of data can be found throughout this report. These assumptions and limiting conditions are critical to the study and should be clearly understood by the reader. Therefore, a user of this housing analysis is strongly encouraged to read this report in its entirety in order to fully understand the conclusions reached. All persons and firms reviewing, using or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions.¹

1.3 – SOURCES OF DEMOGRAPHIC DATA

Unless otherwise noted, all demographic data contained within this report were obtained and/or derived from the MapInfo Corporation (www.mapinfo.com) and from Ribbon Demographics (HISTA data).

¹ The Appraisal Institute, Chicago, IL.

1.4 – HOUSING DEMAND

The city of Fredericksburg is forecast to continue growing at a moderate rate. Historically, an average of 56 new single family homes have been constructed (Jan. 2015 to June 2017). The forecast of demand based on employment growth suggests that 58 new single family homes and 26 new rental units will be needed to satisfy the anticipated annual growth. Based on the historic absorption of new single family homes, we believe the Employment Growth Methodology gives the most accurate forecast of household growth of the methodologies discussed herein.

FORECAST HOUSEHOLD GROWTH 2018-2022

Owners/Renters	2018		2019		2020		2021		2022	
Employment Growth	58	26	58	26	58	26	58	26	58	26
AnySite Demos.	39	31	39	31	39	31	39	31	39	31
HISTA Data	41	18	41	18	41	18	41	18	41	18

At the same time, we opine that there is a significant amount of pent-up demand in the market today. Three of the largest area employers, Hill Country Memorial Hospital, Fredericksburg ISD, and HEB Foods have a combined total of 405 employees traveling a significant distance to work within the city. They and other employers report their employees have had a difficult time finding housing within the immediate area. Additionally, local officials report 400-500 jobs that today are unfilled, including 50+ at the hospital and 20+ at HEB Foods.

From the 2015 census data, we see that 67% of the people that work in Fredericksburg did not live within the city. While some of these employees may have chosen to live outside the city, 30% of these commuters traveled more than 25 miles to work in Fredericksburg (i.e. outside Gillespie County).

Given what we know, it is reasonable to expect that some portion of the population that commute to Fredericksburg for employment would choose to live within the city if housing was available that they could afford. However, with the information available, it is impossible to quantify the exact number of people that would make this choice.

1.5 – SINGLE AND MULTI-FAMILY PRICE POINTS

As a result of the following analysis, we opine the greatest need for new owner households will be in single family homes with a starting price of \$270,000 to \$280,000. This coincides with the historical average price of homes that will be discussed. At this price point, a household would need to earn an annual income of \$75,000 or greater.

At the same time, we found and significant pent-up demand, increasing home prices, and a decreasing number of days homes remain for sale. These factors are typically seen in a market that is under supplied. Add to this, a significant number of homes have been converted to short-term rental and second homes.

The analysis of renter households showed 64% of renters within the city would be considered low income (earning less than 60% of the Area Median Income). The demographics also revealed that 55% of renters and 23% of home owners spend more than 30% of their monthly income for rent and utilities. These households are considered to be “overburdened”.

The two tables below represent the amount a renter household can afford to pay in rent, given the household size and annual income. The first table also shows the average rent paid to live in a market rate apartment community in Fredericksburg.

**REDUCED RENTAL RATE
BASED ON INCOME OF HOUSEHOLD**

RENT	30%	40%	50%	60%	Fred. Avg.
Efficiency	\$314	\$434	\$553	\$673	
1 Bdrm	\$319	\$448	\$576	\$704	\$834
2 Bdrm	\$376	\$530	\$683	\$837	\$890
3 Bdrm	\$427	\$605	\$783	\$960	\$1,219
4 Bdrm	\$479	\$678	\$876	\$1,074	

(Excluding Utilities)

**INCOME LIMITS BASED ON HOUSEHOLD SIZE
AND AREA MEDIAN INCOME**

INCOME LIMITS	30%	40%	50%	60%
1 Person	\$14,370	\$19,160	\$23,950	\$28,740
2 Person	\$16,410	\$21,880	\$27,350	\$32,820
3 Person	\$18,450	\$24,600	\$30,750	\$36,900
4 Person	\$20,490	\$27,320	\$34,150	\$40,980
5 Person	\$22,140	\$29,520	\$36,900	\$44,280
6 Person	\$23,790	\$31,720	\$39,650	\$47,580
7 Person	\$25,410	\$33,880	\$42,350	\$50,820
8 Person	\$27,060	\$36,080	\$45,100	\$54,120

Given the design of a typical affordable rental community, we would opine that renters earning \$11,520 to \$47,580 would be income qualified to live at such a project. The demographics account for 798 households living within the city of Fredericksburg, and an additional 693 households living within Gillespie County that would be income qualified. An additional 191 renter households would need some other type of public assistance (Section 8 voucher) in order to qualify to live at an “affordable” project of this type. Finally, 559 renter households earn an income greater than the maximum allowed.

1.6 - SUMMARY

The need for additional housing is apparent. The difficulty is providing single family homes at a price that is economically feasible and at the same time affordable for area employees. Most working households earning less than \$75,000 will need two incomes to be able to purchase a typical single family home.

In the alternative, employees of the area may choose to rent rather than own. Today, rental households make up 32% of the households in Fredericksburg. The demographics report 1,647 renters in the market today. There are 629 units in buildings with 5 or more units. The remaining 1,000+ units are made up of single family homes (70%), duplexes/fourplexes (20%), and mobile homes (10%).

Our survey of 9 apartment communities reported an occupancy rate of 95.9%. Only 23 units were reported vacant in our survey. This limited supply of rental housing falls well short of meeting the need for affordably priced housing to meet the needs of the area’s workforce. With limited housing alternatives and growing employment opportunities elsewhere, area employers will find it ever more challenging to staff open positions.

CHAPTER 2

HOUSING STOCK AND PRICE POINTS

2.1 – HOME OWNERSHIP AND AREA WAGES

The greatest contributing factor to home ownership is household earnings. Building permit data provided by the City of Fredericksburg shows that 140 single family homes were permitted January 2015 to June 2017. Of these new homes, the median construction value was \$202,000; with the average value of \$280,000 (i.e. excluding lot value).

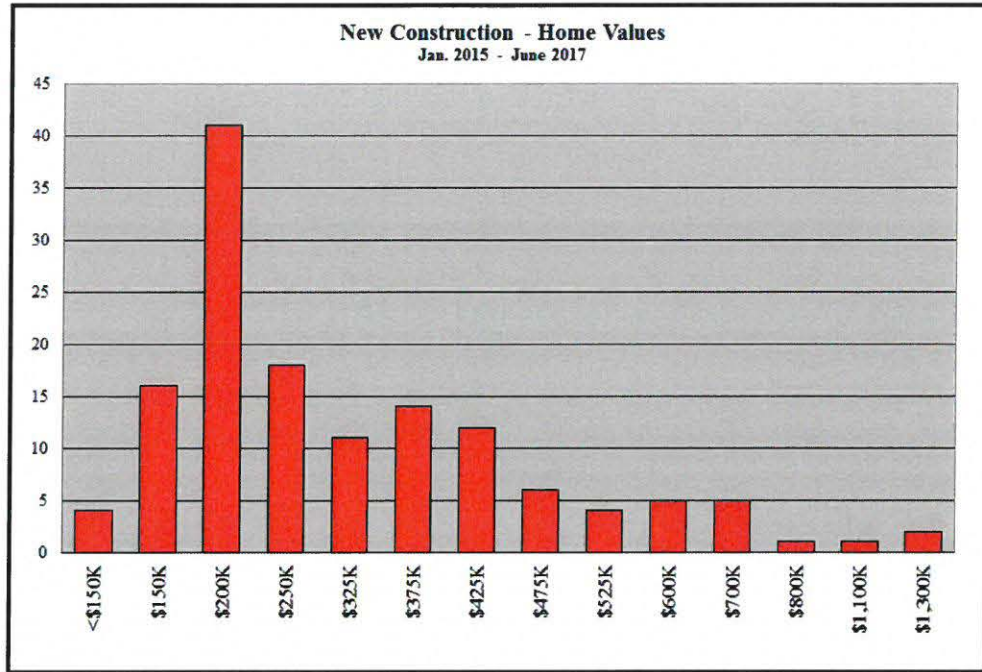
NEW SINGLE FAMILY CONSTRUCTION – CONSTRUCTION VALUES



The total value for the homes would have to include the value of the lot under the structure. The chart below assumes a lot value of \$50,000 for structures costing less than \$200,000, \$75,000 for structures costing \$200,000 to \$450,000, and \$100,000 for structures costing over \$500,000.

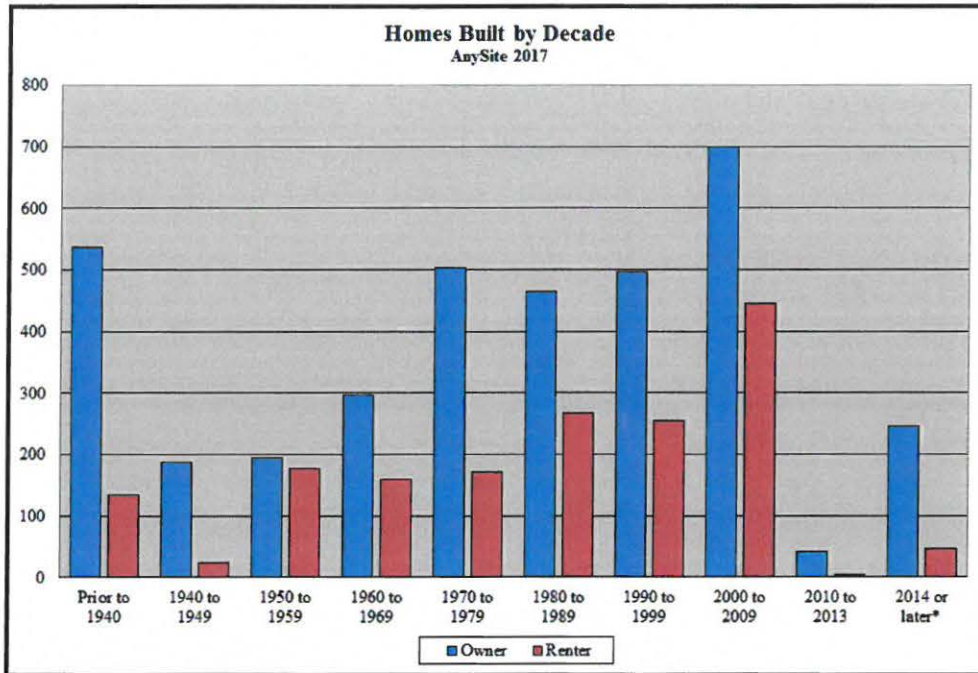
From the chart below, we can see greatest number of new homes constructed were valued from \$200,000 to \$249,000. An equal number of homes were valued from \$250,000 to \$475,000.

NEW SINGLE FAMILY CONSTRUCTION – HOME VALUES



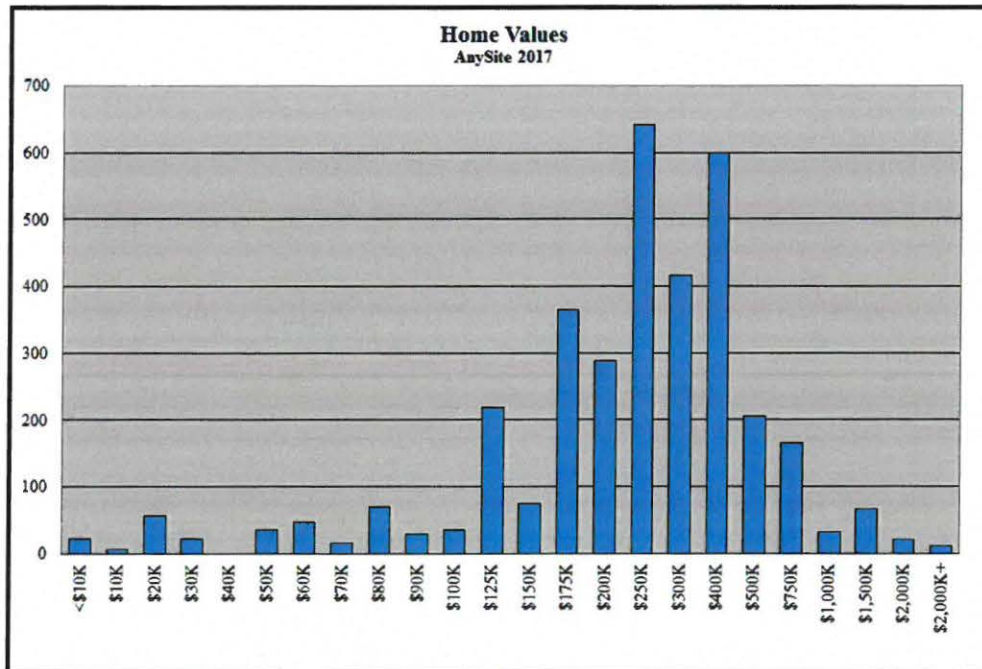
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HOMES BUILT BY DECADE - DEMOGRAPHICS



*Indicates USPS New Construction Data (2014-June 2017)

REPORTED HOME VALUES – DEMOGRAPHICS



Mortgage companies apply a percentage of the annual household income to qualify a household for a home mortgage. This is called the "Mortgage to Income Ratio" (M/I). Depending on a client's credit score and the lending program, the M/I can vary from 20% to 35%. What this ratio represents is the percentage of a household's annual income that will be used to pay its mortgage.

Knowing this information can help with forecasting the demand for housing at different price points. By way of example, the table below shows various pay rates for industries in the Fredericksburg area.

	2014	2015	2016
Average Starting Wage	\$11.25	\$11.79	\$11.83
Average Hourly Wage	\$15.23	\$16.70	\$16.91
Construction Trades	\$19.05	\$19.07	\$21.45
Lodging	\$12.94	\$13.33	\$14.58
Manufacturing	\$13.32	\$13.38	\$13.73
Retail	\$13.04	\$13.33	\$14.52
Wine-Related	\$11.94	\$11.64	\$12.50
Food Service	\$11.95	\$10.17	\$13.25
Financial/Legal	No Data	No Data	\$25.62
Admin./Prof. Services	No Data	\$18.64	\$14.99
Non-Profit	No Data	\$23.08	\$18.05

A monthly mortgage payment consists of four parts – Principal, Interest, Taxes & Insurance (PITI). For the purpose of the following discussion and tables below, the following assumptions have been made.

Interest Rate:	4.25%
Period or Term:	30 Years
Down Payment:	5%
Insurance:	1% of value
Taxes:	1.779 mil rate

If one knows the prevailing wages of an area, they can then begin calculating an assumed monthly mortgage payment based on the M/I ratio. The following table calculates the monthly mortgage payment based on an hourly wage and applying a variety of M/I ratios. For example, a household earning an hourly wage of \$15.00 per hour could qualify for a monthly mortgage payment (PITI) of \$780, applying a M/I ratio of 30%.

**MONTHLY (PITI) MORTGAGE PAYMENT
BASED ON HOURLY WAGE**

Annual	Monthly	Hourly	20%	25%	30%	35%
\$20,800	\$1,733	\$10.00	\$347	\$433	\$520	\$607
\$22,880	\$1,907	\$11.00	\$381	\$477	\$572	\$667
\$24,960	\$2,080	\$12.00	\$416	\$520	\$624	\$728
\$27,040	\$2,253	\$13.00	\$451	\$563	\$676	\$789
\$29,120	\$2,427	\$14.00	\$485	\$607	\$728	\$849
\$31,200	\$2,600	\$15.00	\$520	\$650	\$780	\$910
\$41,600	\$3,467	\$20.00	\$693	\$867	\$1,040	\$1,213
\$52,000	\$4,333	\$25.00	\$867	\$1,083	\$1,300	\$1,517

With the information above, we can then convert a monthly mortgage payment into the present value of that mortgage. The following table calculates the mortgage amount based on an hourly wage and applying a M/I ratio. In the same example, a household earning an hourly wage of \$15.00 per hour would be able to qualify for a mortgage in the amount of \$115,149 applying a M/I ratio of 30%.

**HOME VALUE
BASED ON HOURLY WAGE**

Annual	Monthly	Hourly	20%	25%	30%	35%
\$20,800	\$1,733	\$10.00	\$51,168	\$63,960	\$76,752	\$89,543
\$22,880	\$1,907	\$11.00	\$56,305	\$70,381	\$84,458	\$98,534
\$24,960	\$2,080	\$12.00	\$61,413	\$76,766	\$92,120	\$107,473
\$27,040	\$2,253	\$13.00	\$66,521	\$83,151	\$99,781	\$116,412
\$29,120	\$2,427	\$14.00	\$71,658	\$89,573	\$107,488	\$125,402
\$31,200	\$2,600	\$15.00	\$76,766	\$95,958	\$115,149	\$134,341
\$41,600	\$3,467	\$20.00	\$102,365	\$127,956	\$153,547	\$179,139
\$52,000	\$4,333	\$25.00	\$127,934	\$159,917	\$191,901	\$223,884

Because of land, construction, and other costs, it is nearly impossible to develop a conventional home at this price point. Market conditions dictate that there would have to be a second wage earner in the scenario described above.

2.2 – FORECAST OWNER HOUSEHOLD DEMAND

In section 3.3.1 of this report, the forecast number of new owner households is calculated and detailed by age and income. This forecast depicted in the table below predicts fewer households earning less than \$30,000 at all age levels. Fewer households are also forecast for households earning less than \$60,000 and under 62 years of age. Forecast growth of home owners is limited to households earning \$60,000+ at all age levels, and seniors (62+) earning over \$30,000 annually.

OWNER HOUSEHOLD GROWTH – 2018 to 2022

OWNER HH 2018 - 2022	TOTAL			
	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	-2	-3	-2	-8
\$ 10,000 - \$ 19,999	-7	-7	-16	-30
\$ 20,000 - \$ 29,999	-13	-6	7	-11
\$ 30,000 - \$ 39,999	0	0	26	26
\$ 40,000 - \$ 49,999	-7	-4	13	2
\$ 50,000 - \$ 59,999	-4	-2	8	2
\$ 60,000+	50	13	160	223
TOTAL	17	-10	198	205

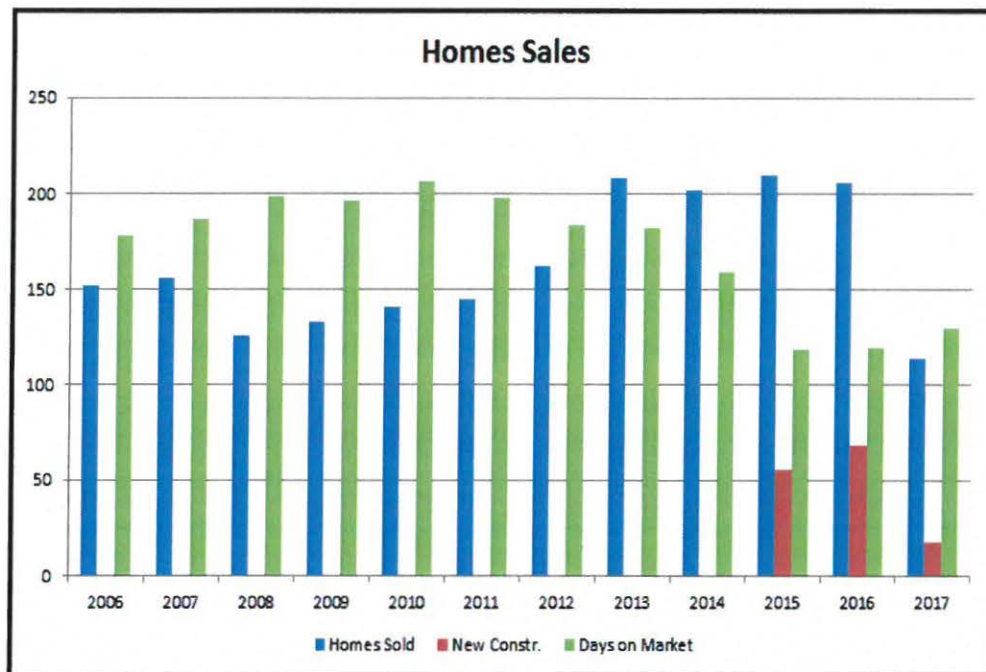
As a result of this forecast, we opine the greatest need for new owner households will be in single family homes with a starting price of \$270,000 to \$280,000. This coincides with the historical average price of homes discussed previously. At this price point, a household would need to earn an annual income of \$75,000 or greater.

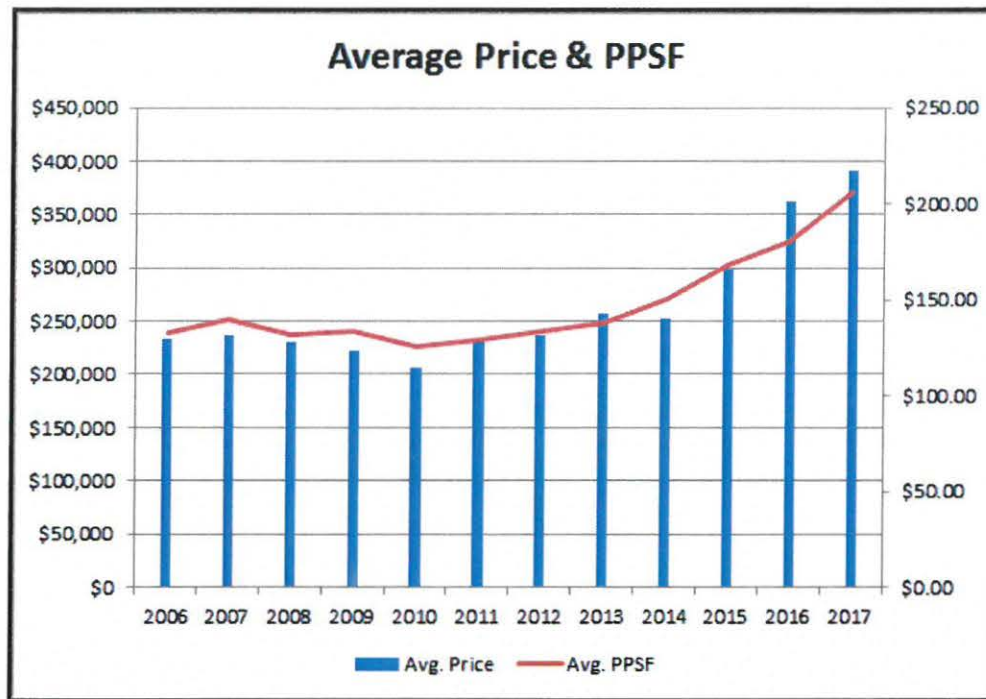
HOME VALUE BASED ON HOURLY WAGE

Annual	Monthly	Hourly	20%	25%	30%	35%
\$ 60,000	\$5,000	\$28.85	\$147,627	\$184,534	\$221,441	\$258,348
\$ 65,000	\$5,417	\$31.25	\$159,930	\$199,912	\$239,895	\$279,877
\$ 70,000	\$5,833	\$33.65	\$172,232	\$215,290	\$258,348	\$301,406
\$ 75,000	\$6,250	\$36.06	\$184,534	\$230,668	\$276,802	\$322,935
\$ 80,000	\$6,667	\$38.46	\$196,837	\$246,046	\$295,255	\$344,464

2.3 – WORKFORCE HOUSING DEMAND

While the demographic forecast suggests that the greatest home owner need will be age 62 and greater, there is no denying the need for workforce housing. Of the three forecast methodologies that will be discussed in this study, the Employment Growth Methodology forecast most closely resembles the historical single family absorption. With this in mind, the U.S Department of Labor reports that Fredericksburg added 932 jobs (2013 to Sept 2017), averaging 186 jobs annually. With new home construction averaging 56.8 annually, this job growth has put upward pressure on home prices and rental rates.





The charts above show graphically the effects job growth has had on the home ownership market, with increasing home sales, decreasing days on the market, and increasing sales prices as well as price per square foot (PPSF). These factors are typically seen in a market that is under supplied.

An additional factor adding to the upward pressure of home prices are the number of single family homes that have been converted to short-term rental and second homes. These property owners contribute more to the local tax base as homestead exemptions are removed, but drive the overall price of homes in the market up.

2.4 – RENTAL HOUSING FOR LOWER WAGE EARNERS

Every community has residents at the low end of the economic scale. These people serve a vital part of the community filling low skill and low paying jobs that are critical to area employers and others that rely on the services they provide.

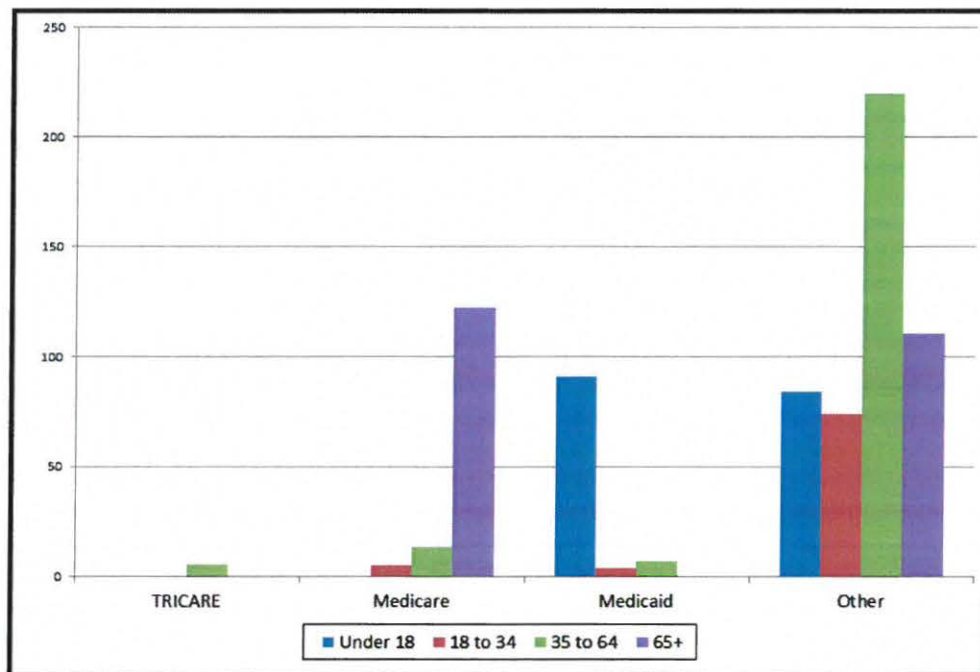
The U.S. Department of Housing and Urban Affairs (HUD) defines low income as a household earning less than 60% of the area median income (AMI). This income is on a sliding scale based on the number of people within the household. The following table depicts the income levels based on the household size. Anyone earning less than the income shown in the table would be considered low income by HUD. These incomes are based on the area median income of Gillespie County (\$68,300).

	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person
60% AMI	\$28,740	\$32,820	\$36,900	\$40,980	\$44,280	\$47,580

Based on the definition above, there are 1,171 owner and 989 renter households within the city of Fredericksburg that would be considered low income. Of these households, 34% are senior households (age 55+).

One of the federal programs designed to assist low income households uses low income housing tax credit (LIHTC) as part of its financing structure. Within the city of Fredericksburg, there are three senior (175 units) and two family (132 units) rental communities that serve these low income wage earners. In total, these five communities account for 307 rental units.

Another way of understanding the depth of a community's low income wage earners is to study the providers of health insurance. The table below shows more than 50% of the children reported qualify for Medicaid benefits. Seniors age 65+ also report more than 50% qualifying for Medicare benefits.



2.4.1 – Rental Housing Stock

Households that rent, rather than own, make up 32% of the households in Fredericksburg. The demographics report 1,647 renters in the market today. There are 629 units in buildings with 5 or more units; of which AMD surveys 566 units (90%). The remaining 1,000+ units are made up of single family homes (70%), duplexes/fourplexes (20%), and mobile homes (10%).

Our survey of 9 apartment communities reported an occupancy rate of 95.9%. Only 23 units were reported vacant in this survey.

2.5 – RENTAL RATES FOR LOW WAGE EARNERS

For the purpose of this discussion, the following refers to households earning less than 60% of the Area Median Income (AMI). For a family of four, this would calculate to an annual household income of \$40,980, or a combined hourly wage of \$19.70.

In the world of “affordable” rental housing (aka workforce housing), developers agree to subscribe to a reduced rental rate based on the county AMI. For Gillespie County, these are based on an area median income of \$68,300.

REDUCED RENTAL RATE BASED ON INCOME OF HOUSEHOLD

RENT	30%	40%	50%	60%	Fred. Avg.
Efficiency	\$314	\$434	\$553	\$673	
1 Bdrm	\$319	\$448	\$576	\$704	\$834
2 Bdrm	\$376	\$530	\$683	\$837	\$890
3 Bdrm	\$427	\$605	\$783	\$960	\$1,219
4 Bdrm	\$479	\$678	\$876	\$1,074	

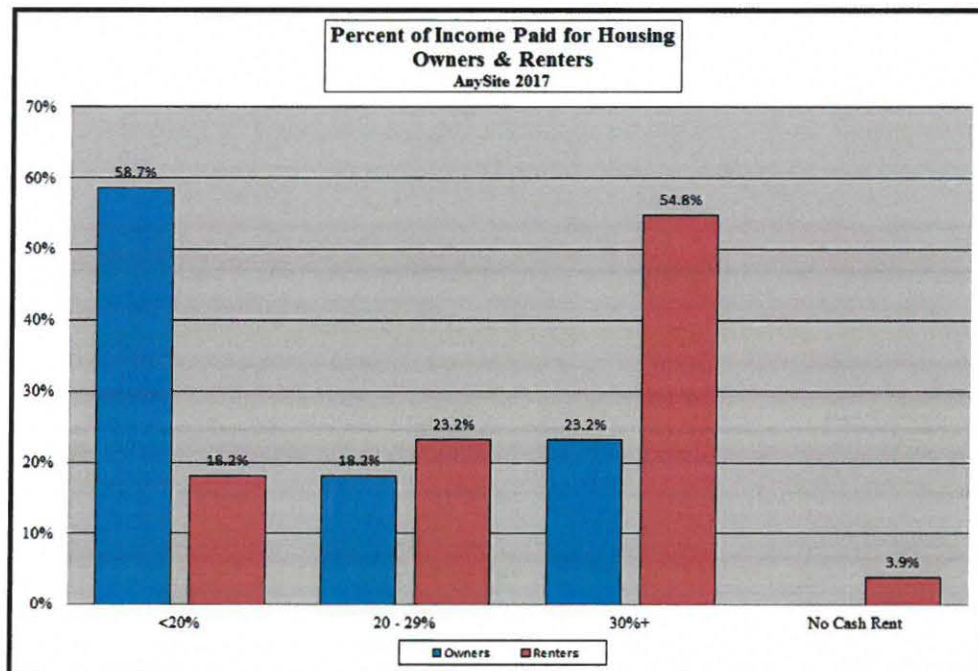
(Excluding Utilities)

Developers also agree that the residents living at their development will not earn more than 60% of the AMI. A sliding income range is applied based on the number of people in the household. The following table shows the maximum incomes based on household size and Area Median Income.

INCOME LIMITS BASED ON HOUSHOLD SIZE AND AREA MEDIAN INCOME

INCOME LIMITS	30%	40%	50%	60%
1 Person	\$14,370	\$19,160	\$23,950	\$28,740
2 Person	\$16,410	\$21,880	\$27,350	\$32,820
3 Person	\$18,450	\$24,600	\$30,750	\$36,900
4 Person	\$20,490	\$27,320	\$34,150	\$40,980
5 Person	\$22,140	\$29,520	\$36,900	\$44,280
6 Person	\$23,790	\$31,720	\$39,650	\$47,580
7 Person	\$25,410	\$33,880	\$42,350	\$50,820
8 Person	\$27,060	\$36,080	\$45,100	\$54,120

The two tables above represent the amount a renter household can affordable to pay in rent, given the household size and annual income. The mission of the affordable housing program is to provide rental opportunities where residents of the community will not pay more than 30% of their monthly income for rent and utilities. Households paying more than 30% of their monthly income for these are considered to be “overburdened”. Currently, 55% of renters and 23% of home owners living within the city of Fredericksburg are considered to be overburdened.



2.5.1 – Income Qualified Renter Households

Based on the previous discussion and the design of a typical affordable rental community, we would opine that renters earning \$11,520 to \$47,580 would be income qualified to live at such a project. The demographics account for 798 households living within the city of Fredericksburg, and an additional 693 households living within Gillespie County that would be income qualified. An additional 191 renter households would need some other type of public assistance (Section 8 voucher) in order to qualify to live at an “affordable” project of this type. Finally, 559 renter households earn an income greater than the maximum allowed.

Later in Section 4.2 of this report, we will discuss that as many as 5,143 workers commute to Fredericksburg for employment.

CHAPTER 3

HOUSEHOLD GROWTH BASED DEMAND

3.1 – AREA POPULATION & DEMOGRAPHICS

The U.S. Census has the population of Fredericksburg growing by 15.2% (2000 to 2010). At the same time, the number of households increased by 20.6%. The population is projected to continue to increase through the year 2022. At that time, the population is expected to be 12,656. This represents an overall increase of 1,076 people, or 348 households (2017-2022).

For our first demand analysis, we will use population and household formation to project future housing demand. This is based on the fact, that in estimating housing, the unit of demand is households. The U.S. Census defines a household as a person or group of persons who occupy a dwelling unit and constitute a single economic unit for the purposes of meeting household expenses. The household may or may not consist of a family. Households are distinguished from groups or individuals who occupy group quarters such as hospitals, military bases, retirement homes, prisons, and dormitories, where individuals are not directly involved in economic decisions for the dwelling unit. Each household, by definition, occupies or needs one housing unit, the basic unit of supply. Therefore, if we know the number of households, we have a measure of aggregate demand for all housing types.

In analyzing housing supply, demand will rarely if ever exceed total supply. When the rate at which the new supply is added slows down or stops, as was the case in Texas for most of the early 1990's, there is a chance to add and absorb new supply. If the "pipeline" for adding residential income properties to a market is twelve months or more, and the demand will consume the supply in a six to twelve month period, a window of time opens to exploit the opportunity of the demand. This is known as a "Gap" in supply and demand.

3.2 – POPULATION & HOUSEHOLD GROWTH – Anysite

The Household Growth demand analysis predicts future growth using a statistical analysis from previous census surveys. To determine the future demand for rental housing, we use the following calculations:

$$\frac{\text{Forecast Population}}{\text{Forecast average household size}} = \text{Forecast Number of Households} = \text{Forecast Units of Demand}$$

$$\frac{\text{Forecast Units of Demand}}{\times \text{Percentage of Tenure Owner}} = \text{Single Family Housing}$$

$$\frac{\text{Forecast Units of Demand}}{\times \text{Percentage of Tenure Renter}} = \text{Multiple Unit Housing}$$

3.2.1 - Estimate of Population and Household Growth

The following table represents the population growth and projections from 2000 through the year 2022.

**ANYSITE FORECAST POPULATION CHANGE
2000-2022**

YEAR	POPULATION	% Chg.	Annual
2022 Projection	12,656	3.5%	1.8%
2020 Estimate	12,226	5.6%	1.9%
2017 Estimate	11,580	8.6%	1.2%
2010 Census	10,662	15.2%	1.5%
2000 Census	9,259		

3.2.2 - Forecasting Owner and Renter Household Demand

The preceding tables delineate the makeup of the households within city of Fredericksburg. By juxtaposing the information with the changes in the forecast population, we can forecast the overall household demand, and finally, the demand that is expected to indicate both owner and renter households. On the household table below, it can be seen that the housing in the sub-market has experienced a growth commensurate with the population. By dividing by the population by the average household size, we derive the number of future households.

The table below shows that as the population has increased, there has been a corresponding increase in demand for housing. This results in further demand for new housing within this sub-market. The household growth analysis is consistent with the information derived from the employment base analysis performed in the following chapter of this report. Thus, by analyzing the trends gleaned from the population and data, we can project the need for additional housing.

“HOUSEHOLD FORMATION” 2000 to 2022

YEAR	HOUSEHOLDS	% Chg.	Annual	Avg. Size
2022 Projection	5,436	2.6%	1.3%	2.34
2020 Estimate	5,297	4.1%	1.4%	2.31
2017 Estimate	5,088	6.9%	1.0%	2.28
2010 Census	4,758	20.6%	2.1%	2.24
2000 Census	3,946			2.30

OWNER VS. RENTER OCCUPIED HOUSEHOLDS 2000 to 2022

	2000	2010	2017	2022
Owner	2,850	3,209	3,441	3,635
Renter	1,096	1,549	1,647	1,801
Total	3,946	4,758	5,088	5,436
Change in HH		812	330	348

**FORECAST HOUSEHOLD DEMAND CHANGES
WITHIN THE PRIMARY MARKET AREA**

	2000-2010	2010-2017	2018-2022
# Owner Change	360	232	194
% Change	12.6%	7.2%	5.6%
# Renter Change	452	98	154
% Change	41.3%	6.3%	9.4%

Based on straight-line delineation of the household growth alone between the years of 2018 to 2022, it can be assessed that Fredericksburg will need an additional 348 housing units.

Thus, our estimate of the growth of the households per year for the trade area, based on the Anysite straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST HOUSEHOLD DEMAND TABLE

YEAR	2018	2019	2020	2021	2022
OWNERS	39	39	39	39	39
RENTERS	31	31	31	31	31

3.3 – POPULATION & HOUSEHOLD GROWTH – HISTA Data

HISTA demographics provide another source for comparison. The difference between the Anysite and HISTA demographics comes from the end user's application. The data provided by Anysite includes a variety of general demographic datasets. HISTA data is different in that it was created to provide an additional level of detail not found in the U.S. Census data.

HISTA data comes from a custom four-way cross tabulation of household data designed specifically for housing analysts. It contains actual Census cross tabulations – not extrapolations of SF3 data. The key to this data is that it gives us the number of households by household size by income by age grouping (i.e. <55, 55-62, and 62+ years of age). This breakout is very useful in arriving at a demand by age and income.

3.3.1 – Owner Demand Tables

The following tables represent the current number of owner households with the city of Fredericksburg, the forecast growth (2022), and finally the difference between the two.

**HISTA DATA
OWNER HOUSEHOLDS - 2017**

OWNER HH	TOTAL			
2017	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	2	24	109	135
\$ 10,000 - \$ 19,999	34	20	171	225
\$ 20,000 - \$ 29,999	36	19	280	336
\$ 30,000 - \$ 39,999	9	90	142	241
\$ 40,000 - \$ 49,999	56	50	202	308
\$ 50,000 - \$ 59,999	46	8	115	169
\$ 60,000+	843	287	931	2,061
TOTAL	1,026	499	1,951	3,475

**HISTA DATA
OWNER HOUSEHOLDS - 2022**

OWNER HH	TOTAL			
2022	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	0	21	107	127
\$ 10,000 - \$ 19,999	27	13	156	196
\$ 20,000 - \$ 29,999	23	14	288	325
\$ 30,000 - \$ 39,999	9	90	169	267
\$ 40,000 - \$ 49,999	49	46	215	310
\$ 50,000 - \$ 59,999	41	6	124	171
\$ 60,000+	893	300	1,091	2,284
TOTAL	1,042	489	2,148	3,680

OWNER HOUSEHOLD GROWTH – 2018 to 2022

OWNER HH	TOTAL			
2018 - 2022	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	-2	-3	-2	-8
\$ 10,000 - \$ 19,999	-7	-7	-16	-30
\$ 20,000 - \$ 29,999	-13	-6	7	-11
\$ 30,000 - \$ 39,999	0	0	26	26
\$ 40,000 - \$ 49,999	-7	-4	13	2
\$ 50,000 - \$ 59,999	-4	-2	8	2
\$ 60,000+	50	13	160	223
TOTAL	17	-10	198	205

The forecast above predicts a loss of households earning less than \$30,000 at all age levels. This loss continues for households earning less than \$60,000 for households under 62 years of age. The forecast growth is limited to households earning \$60,000+ at all age levels, and seniors (62+) earning over \$30,000 annually.

3.3.2 – Renter Demand Tables

The following tables represent the current number of renter households with the city of Fredericksburg, the forecast growth (2022), and finally the difference between the two. The shaded income bands are indicative of the renter households that earn from \$11,520 to \$54,120. As discussed in Section 2.5.1, these renters households would be considered to be income qualified to live at an “affordable” rental community with income and rent restrictions.

HISTA DATA RENTER HOUSEHOLDS - 2017

RENTER HH	TOTAL			
2017	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	76	2	75	154
\$ 10,000 - \$ 19,999	135	30	81	247
\$ 20,000 - \$ 29,999	213	61	13	288
\$ 30,000 - \$ 39,999	155	4	81	240
\$ 40,000 - \$ 49,999	49	1	35	84
\$ 50,000 - \$ 59,999	137	24	8	170
\$ 60,000+	185	67	127	378
TOTAL	951	188	421	1,560

**HISTA DATA
RENTER HOUSEHOLDS - 2022**

RENTER HH	TOTAL			
2022	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	72	2	82	155
\$ 10,000 - \$ 19,999	126	28	84	238
\$ 20,000 - \$ 29,999	204	57	14	274
\$ 30,000 - \$ 39,999	165	3	95	262
\$ 40,000 - \$ 49,999	49	1	38	87
\$ 50,000 - \$ 59,999	141	24	9	174
\$ 60,000+	211	84	165	459
TOTAL	966	198	486	1,650

RENTER HOUSEHOLD GROWTH – 2018 to 2022

RENTER HH	TOTAL			
2018 - 2022	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	-5	0	6	1
\$ 10,000 - \$ 19,999	-9	-2	3	-8
\$ 20,000 - \$ 29,999	-10	-4	1	-13
\$ 30,000 - \$ 39,999	10	-1	14	23
\$ 40,000 - \$ 49,999	0	0	3	3
\$ 50,000 - \$ 59,999	3	0	1	4
\$ 60,000+	26	17	38	80
TOTAL	15	9	65	90

The forecast above predicts a loss of households earning less than \$30,000 for ages under 62 years of age. Modest growth is expected in households earning more than \$50,000 annually and seniors (62+) at all income levels.

3.3.3 - HISTA Demand Summary

The preceding tables give the current number of owners and renters, forecast of the same to 2022, including a detail by age and income. Based on straight-line delineation of these forecasts, the HISTA data estimates the number of households will grow by 295.

Thus, our estimate of the growth of the households per year for the trade area, based on the HISTA data straight-line forecast delineation and our assessment of the new households in the area, is as follows:

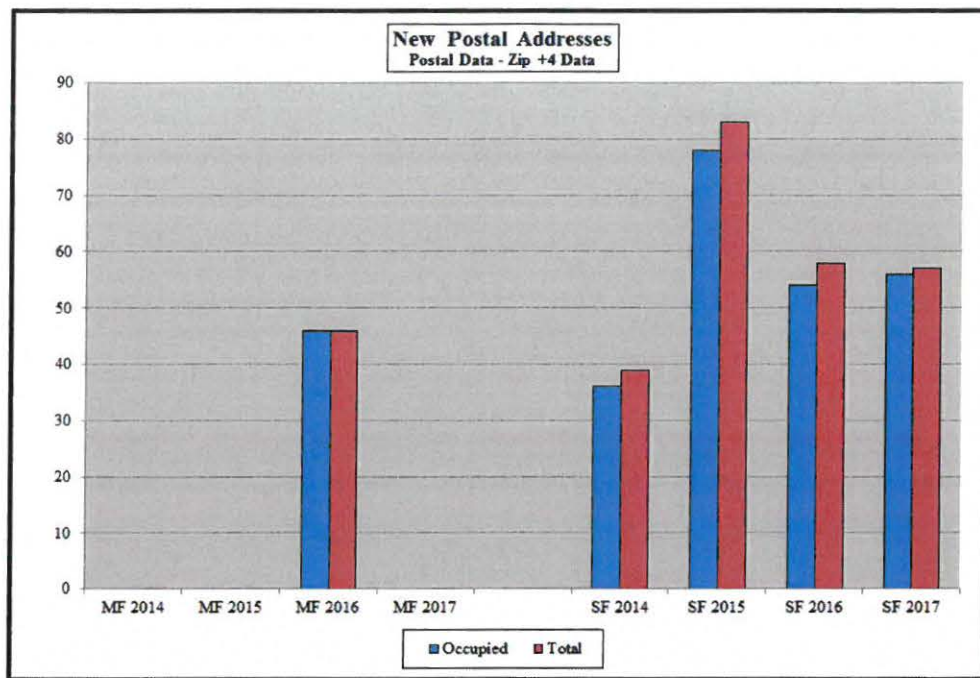
FORECAST HOUSEHOLD DEMAND TABLE

YEAR	2018	2019	2020	2021	2022
OWNERS	41	41	41	41	41
RENTERS	18	18	18	18	18

3.4 – HISTORICAL ABSORPTION - U.S. POSTAL DATA

The U.S. Post Office is another source for new construction data. As each new unit is constructed and assigned a mailing address, the Postal Service reports the address as either a single or multi-unit address; and as occupied or vacant. As a snapshot in time, the information is useful in understanding the new construction velocity and absorption within the PMA.

	Multi-Unit	Multi-Unit	Single-Unit	Single-Unit
2014	0	0	36	39
2015	0	0	78	83
2016	46	46	54	58
2017	0	0	56	57
TOTAL	46	46	224	237



Over the past 4 years, absorption of single family homes has averaged 56 homes per year. In most cases, these new housing units are being absorbed as fast as the units receive a postal address from the U.S. Postal Service. Would be absorption of rental units for this time period is impossible to calculate because so few units were constructed. The 46 rental units constructed were fully absorbed.

3.5 - SUMMARY

The historical accounting of single family building permits (Jan. 2015 to June 2017) and the data from the USPS indicate a higher absorption rate of single family homes than the demographics forecasts anticipate. Most of these were custom homes pre-sold prior to construction.

Based on this information, we opine the demographic forecasting models previously discussed report numbers less than what is likely to occur. The following Employment Growth Methodology results in a forecast that resembles the historical count of new single family households.

CHAPTER 4

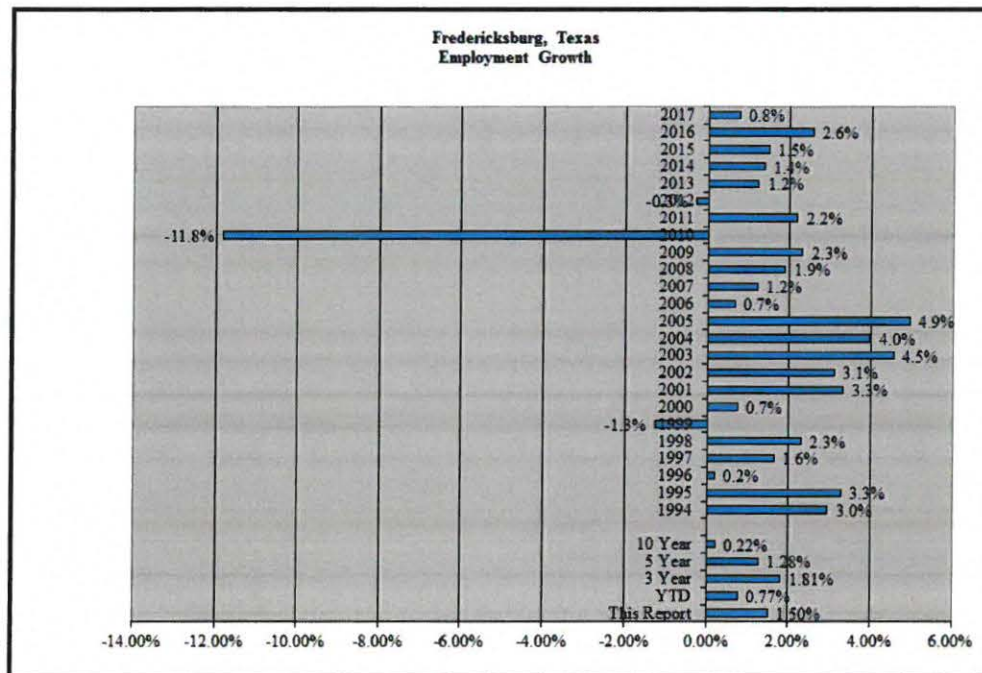
EMPLOYMENT GROWTH BASED DEMAND

4.1 - FREDERICKSBURG ECONOMY

The City of Fredericksburg has a robust economy for a city with a population of 11,580 (2017). The largest number of private industry jobs fall into the category of “Education, Health and Social Assistance”. The largest employers that fit within this category is the Hill Country Memorial Hospital. Other large non-private employers include the Fredericksburg ISD, the City of Fredericksburg and Gillespie County.

The second largest category of jobs fall into the “Arts, Entertainment, Accommodations and Food Service” category. Jobs within this category are represented by the hotel and food service industries. Finally, Retail Trade fills the third largest category of jobs in the city.

Today, the current unemployment rate for Gillespie County is 2.2%. This is significantly less than the state average of 3.7% and the national average of 3.9%².



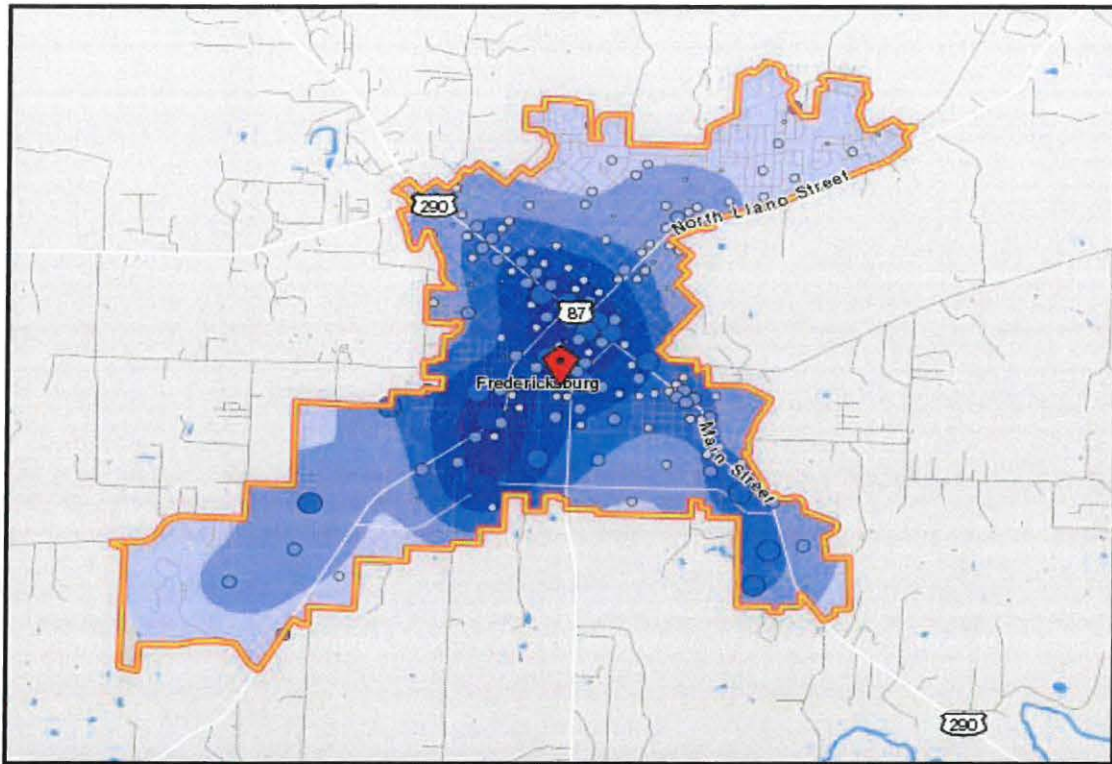
² U.S. Department of Labor (Dec. 2017)

4.1.1 - Major Employers

According to the InfoUSA Business Listing database of area employers, there are more than 11,400 jobs within 5.0 miles of Fredericksburg. The following table lists some of the larger employers within that radius.

Company	# Employees
Hill Country Memorial Hospital	700
Fredericksburg ISD	500
H-E-B Foods	250
City of Fredericksburg	160
Gillespie County	160
Central Texas Electric Co-op	124
Walmart Supercenter	120
Knopp Healthcare & Rehab Center	104
Windcrest Nursing Home	91
Fischer & Wieser Spec Foods	80
Mamacita's	75
Allen Keller Co	75
James Avery	75
Gillespie County Sheriff's Office	75
Security State Bank & Trust	64
McDonald's	53
First Baptist Church	52
Fredericksburg Brewing Co	50
Opa's Smoked Meats	50
St Vincent De Paul Society	50
Fredericksburg Nursing & Rehab	50
Knopp Assisted Living Center	50
Admiral Nimitz Foundation	49
St Mary's School	47
Fredericksburg Clinic PA	42
Peach Tree Gift Gallery	40
Gillespie Livestock Co Inc	40
Wellness Center	40
Primary School	40
Kneese Metal Buildings	36

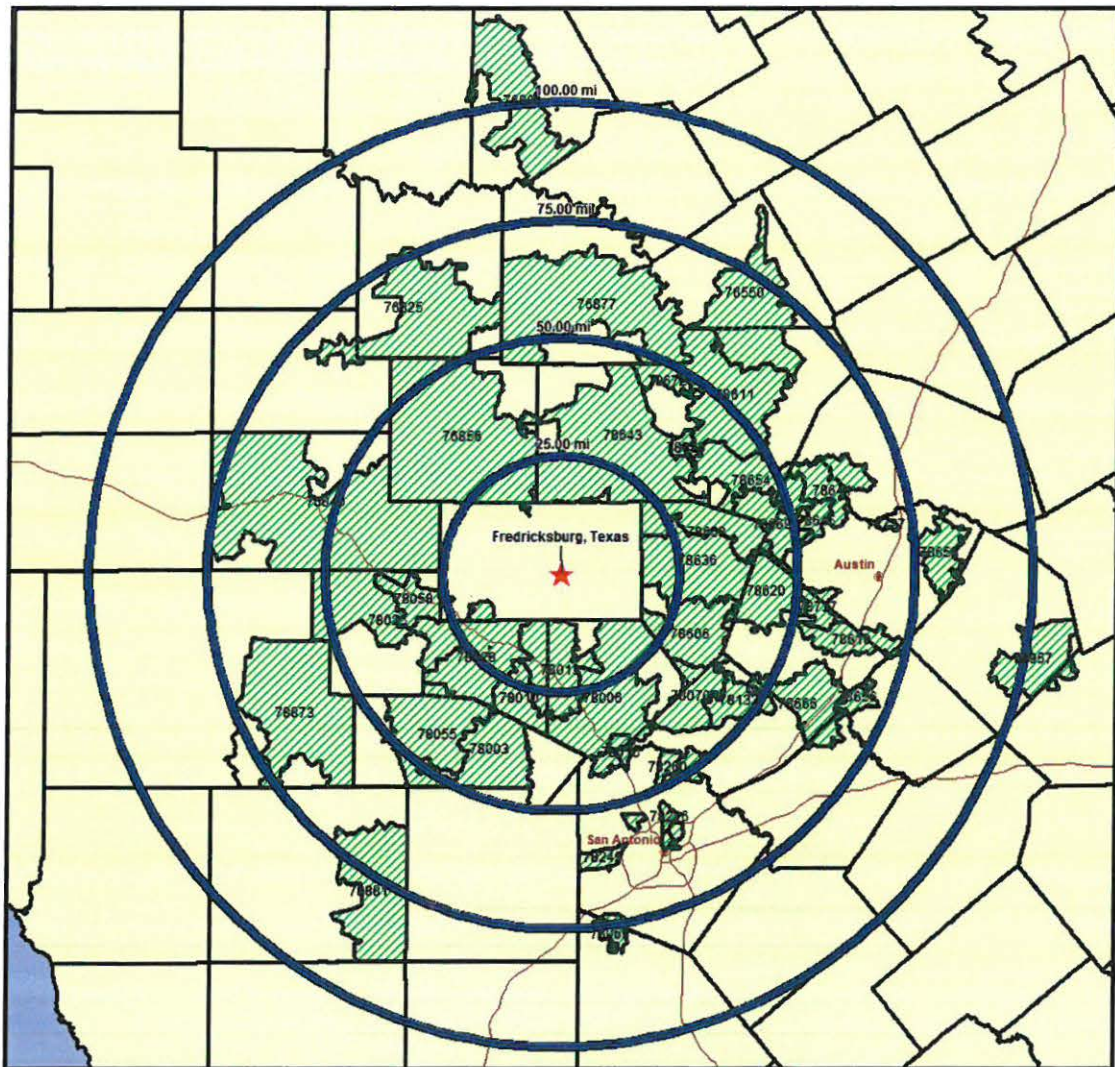
U.S. CENSUS ON THE MAP - 2015



4.1.2 – Hill Country Memorial Hospital

Hill County Memorial Hospital is the largest employer in Gillespie County. The hospital employs approximately 700 people. The average full-time employee earns \$61,020 annually.

Today, approximately 33% (233) of the staff commute from outside the county. While some of these employees are only called up to fill scheduling holes, others report difficulty finding housing within the city of Fredericksburg. The map below shows graphically the home zip codes of employees currently traveling to staff the hospital. These staff members earn a reported average annual income of \$50,306. With only one income, these staff would qualify for a home priced \$160,000 to \$190,000.

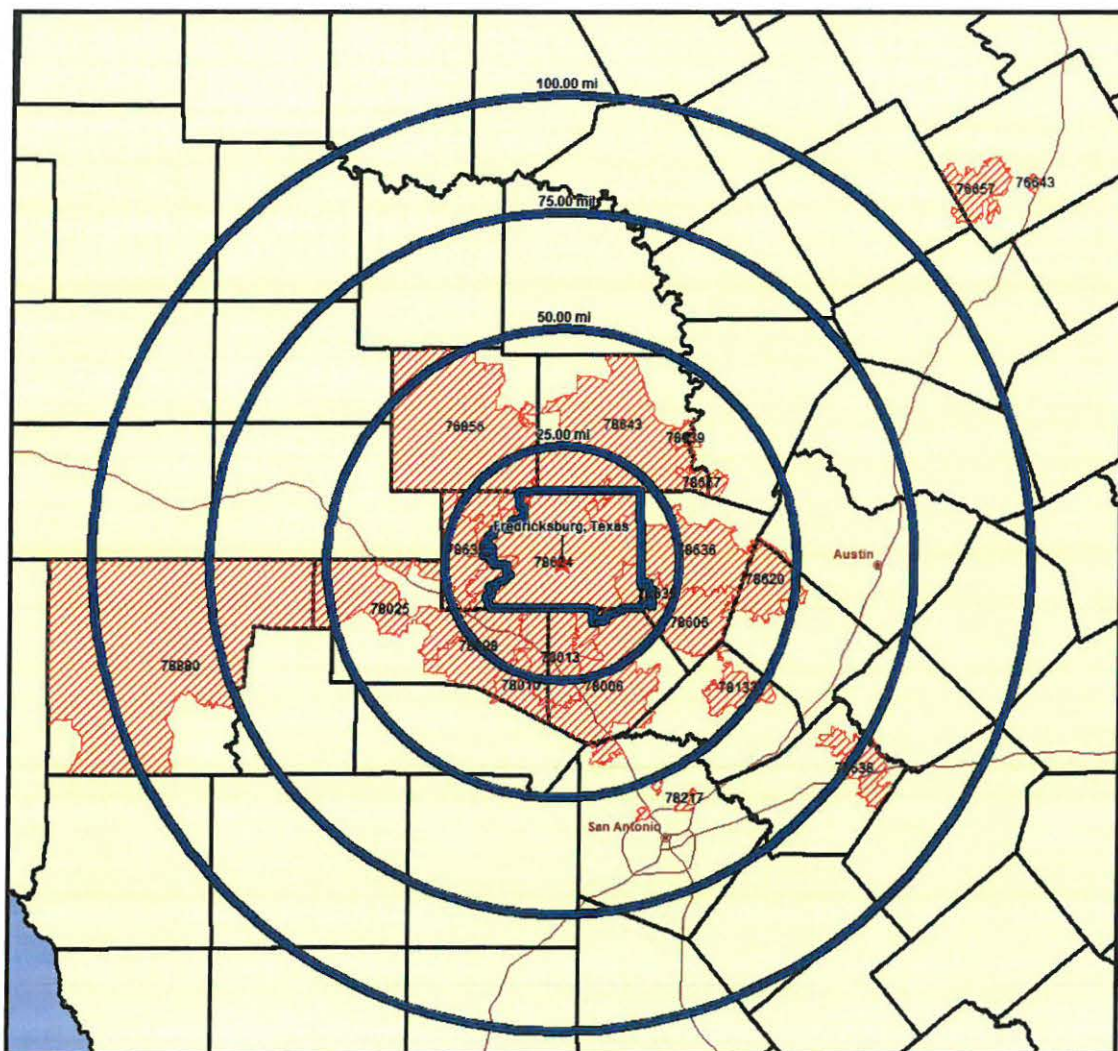


4.1.3 - Fredericksburg ISD

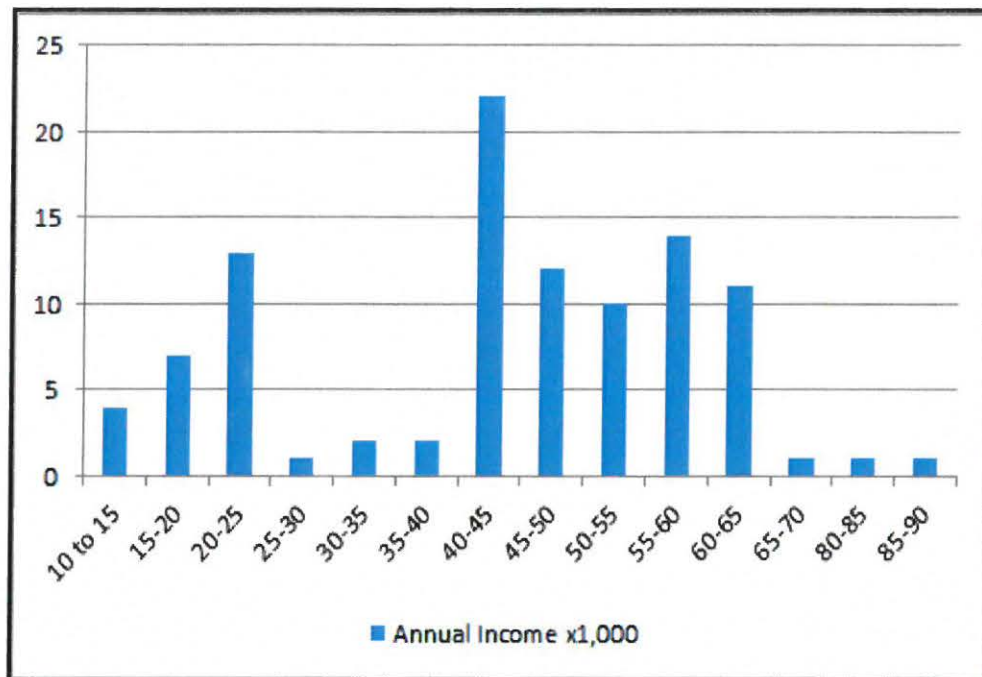
Fredericksburg ISD employs approximately 500 people across six campuses and other administrative offices. The school district reports that 102 people live outside the 78624 zip code. Of these 102 employees, 70% earn over \$40,000 annually. And while not all employees may elect to living locally, many would likely move closer to their source of employment rather than travel great distances every day.

The map below shows graphically the home zip codes of employees currently traveling to staff positions within the schools district.

FREDERICKSBURG ISD EMPLOYEES LIVING OUTSIDE 78624



ANNUAL INCOME OF EMPLOYEES LIVING OUTSIDE 78624

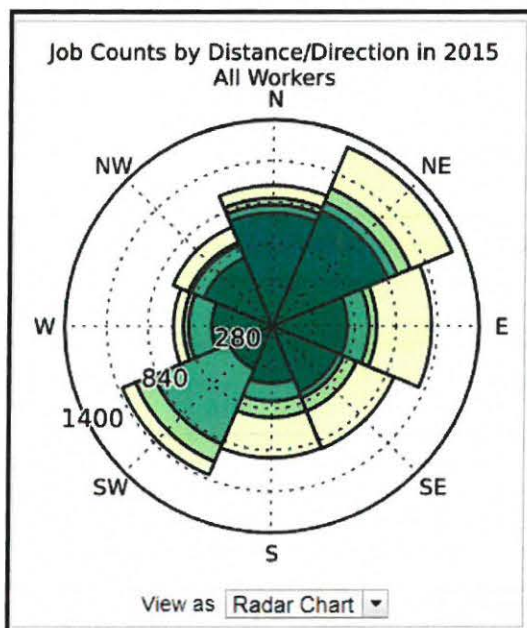
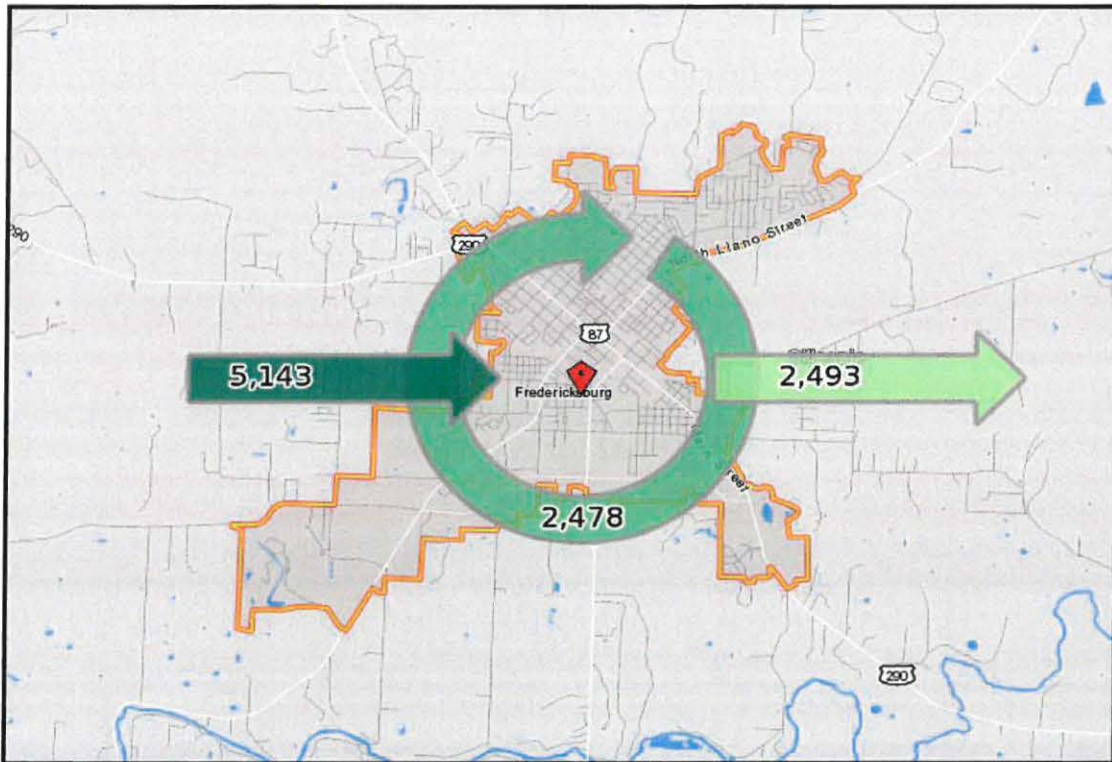


4.1.4 – Other Employers

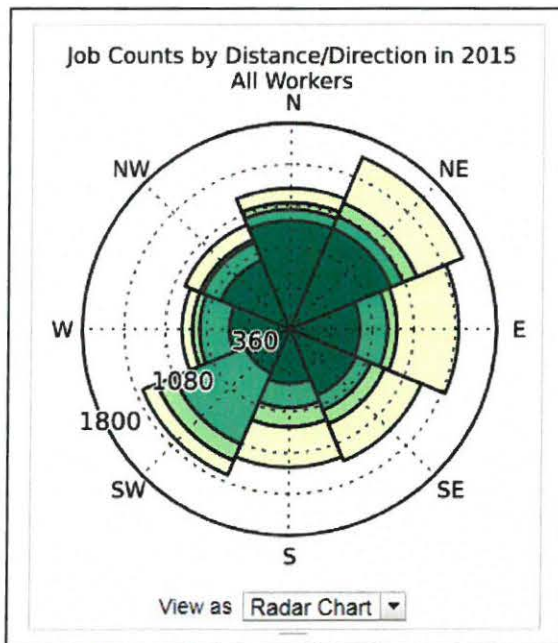
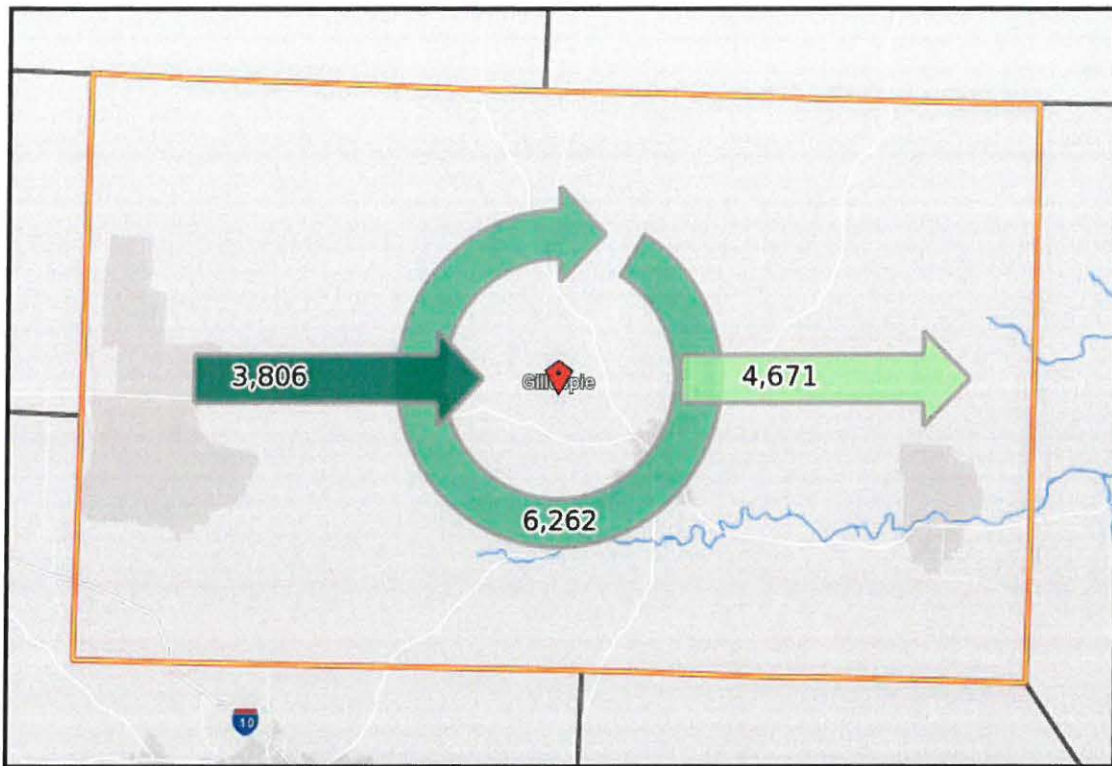
Other employers report similar statistics. HEB Foods reports that 70 of its 250 employees (28%) live outside the 78624 zip code. Local officials report 400-500 jobs that today are unfilled, including 50+ at the hospital and 20+ at HEB Foods.

4.2 - AREA COMMUTERS

Data from the U.S. Census Bureau shows a significant number of people commuting for employment for both the city of Fredericksburg and Gillespie County overall. Data from 2015 shows 5,100+ employees came from outside the city of Fredericksburg. Another 2,500 residents traveled from Fredericksburg to their jobs outside the city. More than 1,500 of these traveled more than 50 miles. This indicates significant pent-up demand.



Jobs by Distance - Work Census Block to Home Census Block		
	2015	
	Count	Share
Total All Jobs	7,621	100.0%
Less than 10 miles	4,227	55.5%
10 to 24 miles	1,220	16.0%
25 to 50 miles	593	7.8%
Greater than 50 miles	1,581	20.7%



Jobs by Distance - Work Census Block to Home Census Block

	2015	
	Count	Share
Total All Jobs	10,068	100.0%
Less than 10 miles	5,201	51.7%
10 to 24 miles	1,894	18.8%
25 to 50 miles	825	8.2%
Greater than 50 miles	2,148	21.3%

4.3 - FORECAST OF FUTURE DEMAND

For our second demand analysis, we delineate a community's commercial employment sectors into two categories – "basic" and "non-basic" employment. Basic activities are those that sell (export) a large portion of their products and services to non-local customers, thereby bringing new dollars into the local economy. Non-basic firms sell primarily to local customers and the money generated is kept within the local economy. The non-basic sector re-circulates dollars which are already within the community.

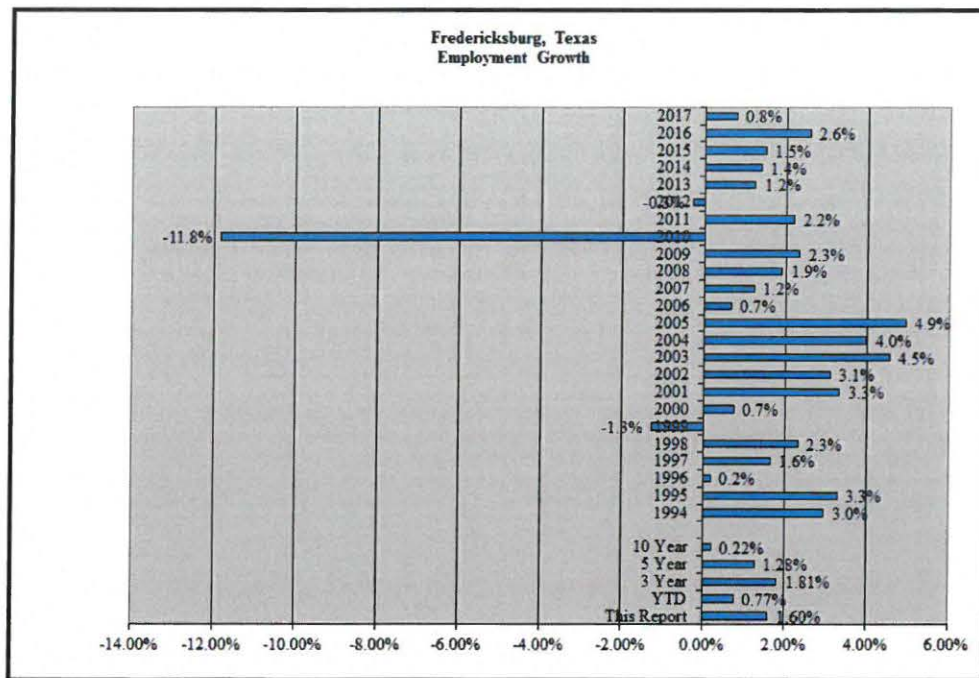
Theory we use within our analysis holds that increases in demand for the products and services of the basic sector cause the basic industries to employ more people. When this happens, the non-basic sector must expand to meet the needs of the expanded labor force in the basic industries. Thus occurs an increase in demand for housing units, retail, and office space, resulting from the increase in the number of employed persons. The resultant is an increase of the general population, employment and economic wealth of the macro-market area. Therefore local buying power increases.

Here we will use the economic base analysis methodology to determine population growth and therefore demand for rental housing. The objectives of the economic base analysis are:

- To identify businesses that bring new dollars into the local economy and measure employment in these businesses.
- To forecast growth of employment in the basic industries.
- To forecast growth of total employment (and income).
- To forecast growth of the population in the local market area.

Our methodology utilized to identify the economic base of the market area is to use a indirect analysis of identifying base employment through calculating the location quotient. This is a quick method for judging which industries are basic locally when compared to the state economy. The quotient represents the ratio of local employment percentage in certain industries to the state percentage in the same industries. If the local percentage is greater than the state percentage, that portion of the industry's employment that exceeds the state percentage is likely to be basic in the local economy. A basic employment industry in a community will create population growth which will then create a need for housing units.

For the purposes of the following employment based forecast, we have used a conservative annual growth rate of 1.6%. This represents approximately 200 new jobs annually. We feel that this rate is appropriate, without being exceedingly optimistic.



Historical employment growth is a leading indicator of population and household growth, and housing demand increases. This indicator is more reliable than others in areas that are experiencing significant growth. This is because other projections typically utilize straight-line estimates, based on prior historical data, rather than current employment information.

The formulation used to determine the demand for housing using the basic employment forecast technique is as follows:

(A)

$$\frac{\text{Forecast of Basic Employment}}{1} \times \frac{\text{Total Employment}}{\text{Basic Employment}} \times \frac{\text{Total Population}}{\text{Total Employment}} = \text{Forecast Pop.}$$

(B)

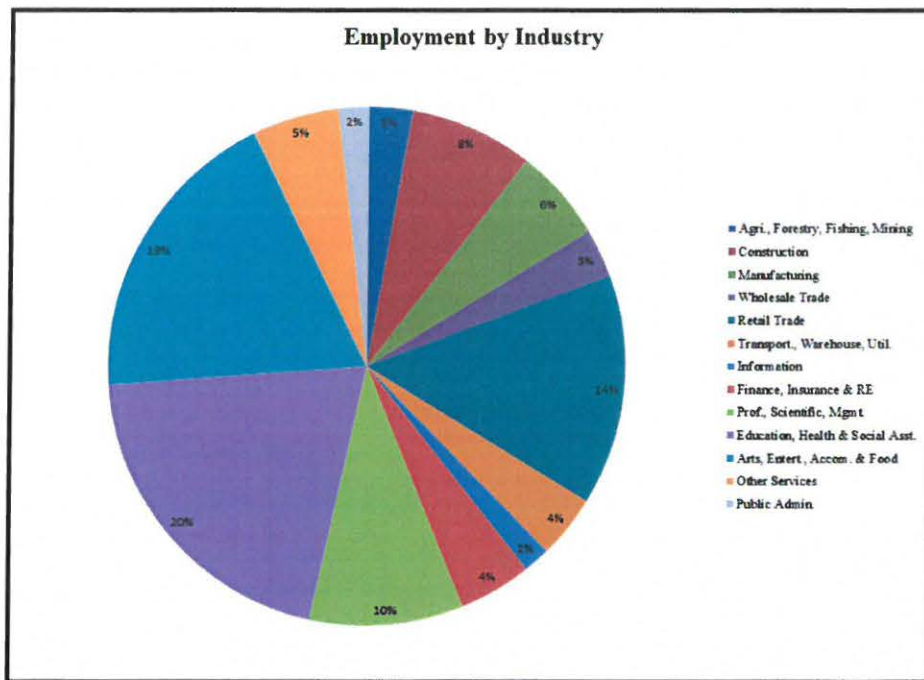
$$\frac{\text{Forecast Population}}{\text{Forecast Household Size}} = \text{Forecast Households}$$

4.3.1 - Determining the Location Quotient

The following represents the employment base of the sub-market by category, and is used to analyze the non-basic and basic employment of the sub-market in comparison to the Texas averages. It represents the profile in relation to the type of employment. The table identifies the employment industries that represent basic employment to the primary market area. Further analysis of the relative concentration in each industry will in turn help identify future growth and the requirements for additional housing.

Employment By Industry 2017	Primary Market		Texas		Location Quotient
	# of Employees	Percent	# of Employees	Percent	
Agriculture, Forestry, Fishing	139	2.7%	436,063	3.3%	0.82
Construction	391	7.7%	1,009,137	7.7%	1.00
Manufacturing	295	5.8%	1,194,968	9.2%	0.64
Wholesale Trade	154	3.0%	397,145	3.0%	1.00
Retail Trade	729	14.4%	1,502,104	11.5%	1.25
Transport., Warehouse, Util.	198	3.9%	710,531	5.4%	0.72
Information	85	1.7%	236,427	1.8%	0.93
Finance, Insurance & RE	231	4.6%	870,314	6.7%	0.68
Prof., Scientific, Mgmt.	487	9.6%	1,460,015	11.2%	0.86
Education, Health & Social Asst.	1,034	20.4%	2,832,987	21.7%	0.94
Arts, Entert., Accom. & Food	957	18.9%	1,140,343	8.7%	2.16
Other Services	272	5.4%	690,186	5.3%	1.01
Public Admin.	96	1.9%	565,010	4.3%	0.44

The industries which are basic to the economy are those that have a location quotient greater than 1.0. If the location quotient of the industry is 1.0 or less, it is assumed that 1) the production of goods or services from that industry is sufficient to meet the needs of the area, and 2) the number of employees that are employed is also adequate to meet the demand for the goods and services. These are, by definition, non-basic employees and employers. In that the location quotient helps identify the basic industries in the local economy, the above table reflects the following in regard to basic employment within the sub-market area:



There is a positive “Location Quotient” in **Retail Trade, Arts, Entert., Accom. & Food, and Other Services** jobs. All of these categories have a location quotient greater than 1.0, indicating these industries are basic to this sub-market, and that these industries, and their size, relative to state averages, will drive the population growth of the primary market area.

4.3.2 - Determining the Number of Basic Employees

The portion of the location quotient that exceeds 1.0 represents the proportion of employees who are engaged in producing that excess. These are considered the basic employees; the employees that serve as a base for future tenancy to the proposed project. The following formula calculates the number of basic employees:

$$\frac{\text{Location Quotient} - 1.0}{\text{Location Quotient}} = \text{Percent of Basic Employees In Industry}$$

$$\begin{aligned} &\text{Total Employees in Industry} \\ &\times \text{Percent of Basic Employees} \\ &= \text{Number of Basic Employees} \end{aligned}$$

Utilizing the above formula, we can calculate the total number of basic employees in the area.

Basic Industries	# of Basic Employees
Retail Trade	145
Arts, Entert., Accom. & Food	514
Public Admin.	4
Total	663

4.3.3 - Determining the Economic Base Multiplier

It is estimated that an increase in basic employment will cause an increase in total employment, with attending growth in population and disposable income. Therefore, we can forecast growth in basic employment to forecast the changes in population and the changes in household demand using a technique known as the economic base multiplier. The "Economic Base Multiplier" is the ratio of total employment to "basic employment". Thus, we calculate the Economic Base Multiplier to forecast future employment growth and the resulting demand for housing.

Economic Base Multiplier	
Total Population in the Market Area	11,580
Total Employment in the Market Area	5,068
Total Basic Employment	663
5 Year Adjusted Forecast of Basic Employment	718
The EB Multiplier	7.641

4.3.4 - Forecasting Total Employment

Utilizing the economic base multiplier, we are able to calculate the total future employment for the target market area.

Forecast of Basic Employment x EB multiplier = Forecast of Total Employment

$$718 \quad \times \quad 7.641 \quad = \quad 5,487$$

4.3.5 - Forecasting Total Population

Because we have an estimation of the total employment for this area, we can proceed to develop a forecast for the total population based on employment growth. This can then be used to extract household formation estimation as an indication of additional demand for housing.

The population/employment ratio (PE) is used to determine the ratio of total population to total employment in the market area.

$$\text{PE Ratio} = \frac{\text{Total Population}}{\text{Total Employment}} = \frac{11,580}{5,068} = 2.285$$

We utilize this PE ratio to obtain a forecast of the total population as follows:

Forecast Total Employment x PE ratio = Forecast Population

$$5,487 \quad \times \quad 2.285 \quad = \quad 12,537$$

4.3.6 - Forecasting Housing Demand

2022 Population Projection - 2017 Population Estimate = Change In Population

$$12,537 \quad - \quad 11,580 \quad = \quad 857$$

$$\text{Average household size} \quad = \quad 2.28$$

$$\text{Change In \# of Households 2018 to 2022} \quad = \quad 419$$

Tenure	Owner Total	x	=	69.0%
	Additional Single Family Needed	or	=	289
Change In # of Households 2018 to 2022			=	419
Tenure	Renter Total	x	=	31.0%
	Additional Rental Units Needed	or	=	130

Based on straight-line delineation of the household growth alone between the years of 2018 to 2022, it can be assessed that Fredericksburg will need an additional 419 housing units.

Thus, our estimate of the growth of the households per year for the trade area, based on the Anysite straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST HOUSEHOLD DEMAND TABLE

YEAR	2018	2019	2020	2021	2022
OWNER HH's	58	58	58	58	58
RENTER HH's	26	26	26	26	26

4.4 - CONCLUSIONS

Based on our analysis, it can be seen that the city of Fredericksburg continues to grow at a moderate rate. The forecast demand for home ownership is comparable to the historical supply of new home construction (56.8 annually).

At the same time, the three largest employers - Hill Country Memorial Hospital, Fredericksburg ISD, HEB Foods, as well as others report employees having a difficult time finding housing within the immediate area. Combined, these three employers report 405 employees traveling a significant distance to work within the city.

Additionally, local officials report 400-500 jobs that today are unfilled, including 50+ at the hospital and 20+ at HEB Foods. From the 2015 census data, we see that 67% of the people that work in Fredericksburg did not live within the city. While some of these employees may have chosen to live outside the city, 30% of these commuters traveled more than 25 miles to work in Fredericksburg (i.e. outside Gillespie County).

Given what we know, it is reasonable to expect that some portion of the population that commute to Fredericksburg for employment would choose to live within the city if housing was available that they could afford. However, with the information available, it is impossible to quantify the exact number of people that would make this choice.



CITY COUNCIL MEMO

DATE: February 19, 2018
TO: Mayor and City Council
FROM: Clinton Bailey, P.E., Assistant City Manager/Director of Public Works and Utilities
SUBJECT: Consider Approval of Revised Golf Course Budget

Summary:

This item is for the consideration of approval of the revised Golf Course Budget proposed by Touchstone Golf. If approved, this budget would take effect on March 1, 2018.

Recommendation:

Staff recommends that the City Council approve the revised Golf Course Budget proposed by Touchstone Golf.

Background / Analysis:

Per the City's lease agreement with Touchstone Golf, a revised budget was submitted to the City for Council consideration of approval by February 15, 2018. The proposed revised budget corresponds to the period beginning on March 1, 2018 and ending September 30, 2018.

Included as background information for this item are the following:

The City of Fredericksburg

1. Lady Bird Golf Course Budget Summary
2. Lady Bird Golf Course Staffing Plan
3. Lady Bird Golf Course 5-Year Capital Plan

Representatives from Touchstone Golf will give a presentation to the City Council providing a high level of detail and justification for their revised budget, staffing plan and 5-year capital plan. Several highlights of the proposed budget include major changes in Food and Beverage operations, decreased payroll costs, no increase in green fees and significant changes in the utilization of the Cardinal Room space.



Department Approval

City Manager Approval

BUDGET SUMMARY

Lady Bird Golf Course

OPERATING PERIOD	Budget	Actual			
	9 Mos. Ending 9/30/2018	9 Mos. Ending 9/30/2017	\$ B(W)	% B(W)	2016 Fiscal Actual
REVENUE	979,060	707,626	271,434	38.4%	960,759
Cost Of Sales	129,556	83,736	(45,820)	-35.4%	120,131
GROSS PROFIT	849,504	623,890	225,614	36.2%	840,628
Payroll	593,024	569,311	(23,713)	-4.0%	734,373
Other Expenses	414,433	338,690	(75,743)	-18.3%	640,651
TOTAL OPERATING EXPENSES	1,007,457	908,001	(99,456)	-9.9%	1,375,024
EBITDA	(157,953)	(284,111)	126,158	-44.4%	(534,396)
Interest	4,805	16,891	12,085	251.5%	18,768
Depreciation & Amortization	173,551	173,551	(0)	0.0%	-
NET INCOME	(336,309)	(474,552)	138,243	-29.1%	(553,164)

Key Assumptions:

- (1) Main driver for increased revenue and expense levels is addition of Food & Beverage operations
- (2) Food & Beverage operations has significant start up expense - initial months operate at a loss
- (3) Historical cost of sales on merchandise sales estimated at 80%
- (4) Payroll for budget period includes \$152,583 of Food & Beverage cost - otherwise payroll is approximately \$175K less
- (5) Rates are generally budgeted flat with some realignment of membership products beginning April 1
- (6) Budget includes approximately \$60K of Banquet (non-golf related) revenue for the Cardinal Room space

LADY BIRD STAFFING PLAN		
Name	Title	Status
Golf Shop (Dept. 10)		
Robles, Tony	1st Assistant Golf Professional	Fulltime
Birkes, Rene	Golf Shop Attendant	Fulltime
Guynes, Janie	Golf Shop Attendant	Parttime
Wetz, Crystal	Golf Shop Attendant	Parttime
TBD	Golf Shop Attendant	Parttime
Carts (Dept. 15)		
Pending	Outside Services Lead	Fulltime
Hartmann, Scott	Outside Services	Parttime
Koen, Billy	Outside Services	Parttime
Strickland, Wally	Outside Services	Parttime
Food and Beverage (Dept. 35)		
Berlin, Dana	F&B Director	Fulltime
Sue Kilcoyne	Rest/Ban Lead	Fulltime
TBD	Line Cook - Lead	Parttime
Johnston, Richard	Line Cook	Parttime
Johnston, Susan	Restaurant Attendant	Fulltime
TBD	Restaurant Attendant	Parttime
TBD	Restaurant Attendant	Parttime
TBD	Bev Cart/Banquet Support	Parttime
Maintenance (Dept. 40)		
Dale Hough	Superintendent	Fulltime
Roeder, Brian	1st Assistant - Superintendent	Fulltime
TBD	Greenskeeper	Fulltime
Vela, Pedro	Greenskeeper	Fulltime
Castillio, Stevie	Greenskeeper	Fulltime
Quinones, Carlos	Greenskeeper	Parttime
TBD	Groundskeeper	Parttime
Marketing (Dept. 45)		
TBD	Sales Director (Events & Mem)	Fulltime
General and Admin (Dept. 50)		
Meade, Chris	General Manager	Fulltime
Active Total Employee Count/Total FTE BY Month		26

Lady Bird Johnson 5 Year Capital Improvement Plan
2018-2022 (All items or projects \$2,500 or greater)

	2018	2019	2020	2021	2022	TOTAL
COURSE AND GROUNDS						
Clubhouse Landscaping	5,000					5,000
<i>Basic ground cover on parking islands, re-do immediate clubhouse landscaping, resolve ball moss, add container color at all entrances</i>						
Range Ball Distribution Enhancements	15,000					15,000
<i>Refurbish building to provide space for ball dispenser, ball washer and soft drink vending machine - significant hourly wage savings</i>						
Water Cooler Towers	3,000					3,000
<i>Build or buy 6 new water cooler towers for golf course (currently sitting on stumps), including unit for driving range</i>						
Maintenance Equipment and Tools	40,000					40,000
<i>New triplex mower, 3 walking greens mower, sand rake attachment, miscellaneous tools (can be leased)</i>						
Establish Green Nursery	10,000					10,000
<i>Sod budget is provided in 2018, green nursery to be used in future years</i>						
Tree Trimming	5,000					5,000
<i>Canopy trimming around select greens</i>						
Bunker Renovations and Softening			200,000			200,000
<i>Replace liners & sand, soften difficulty</i>						
New Deck for Cardinal Room		50,000				50,000
<i>Build new deck for Cardinal Room</i>						
Build Privacy Fence (18') for Maintenance Area		25,000				25,000
<i>Possibly share cost with Parks Department</i>						
New Maintenance Building in New Location		200,000				200,000
<i>Location to be determined</i>						
Relocate Cart Storage to Old Maintenance Area		25,000				25,000
<i>Renovate existing maintenance for cart storage</i>						
Convert Second Ceremony Site down by Pavilion		30,000				30,000
<i>Rustic outdoor feel for ceremonies and receptions and tournaments</i>						
SUBTOTAL	78,000	275,000	200,000	-	-	553,000

Lady Bird Johnson 5 Year Capital Improvement Plan
2018-2022 (All items or projects \$2,500 or greater)

	2018	2019	2020	2021	2022	TOTAL
GOLF OPERATIONS						
Beverage Cart	17,000					17,000
<i>Can be leased for approximately \$333 per month, 48 months</i>						
People Mover	13,000					13,000
<i>For transport of players to range during tournaments/busy days and to transport banquet guests when parking full, \$255 lease</i>						
Ball Dispensing Machine	10,000					10,000
<i>To be located at renovated building near range, can be leased for approximately \$200 per month, 48 months</i>						
Ball Washer	2,500					2,500
<i>22K Capacity Machine</i>						
Rental Club fleet enhancement	2,500					2,500
<i>Tour Edge - Touchstone Program 8 Sets X \$300</i>						
Range Cart with Gang Picker & Attachment	12,000					12,000
<i>Can be leased for approximately \$235 per month, 48 months</i>						
SUBTOTAL	57,000	-	-	-	-	57,000
CLUBHOUSE						
New POS System, Equipment, Install and Training	11,500					11,500
<i>Estimate is for hardware only - installation and training covered in single tee time daily tradeout</i>						
Floor Treatment (Hallway and Red Bird Grill)		7,500				7,500
<i>Strip, stain, seal and polish</i>						
New artwork for clubhouse	5,000					5,000
<i>Possible historical prints from Fredericksburg historical society for hallways, Red Bird Grill design to be determined</i>						
New outdoor furniture for patio space	10,000					10,000
<i>2 loveseats or sofas, 8 chairs, 2 coffee tables, 4 end tables plus cushions, 6 rocking chairs with side tables</i>						
Replace carpet			30,000			30,000
<i>Improve look and feel of Cardinal Room, pro shop and hallway</i>						
Build a Sales Office and Bridal Suite		30,000				30,000
<i>Reorganize the office space to provide for sales and bridal suite resources</i>						
SUBTOTAL	26,500	7,500	-	-	-	94,000

Lady Bird Johnson 5 Year Capital Improvement Plan
2018-2022 (All items or projects \$2,500 or greater)

	2018	2019	2020	2021	2022	TOTAL
FOOD & BEVERAGE						
Draft Beer Dispenser including Keg Storage Unit	5,000					5,000
<i>Replace existing cooler with matching unit that has draft beer capability (4 taps), includes counter modification</i>						
Smallwares for banquet service		10,000				10,000
<i>Additional service items</i>						
Smallwares for opening a la carte	5,000					5,000
<i>Plates, Silverware, Glasses etc to open RBG</i>						
Bar construction including equipment	27,500					27,500
<i>Reconstruction of under bar space, including equipment and storage for mixed beverage permit, including additional bar stools</i>						
New range and fryer for kitchen			12,500			12,500
<i>Possibly add grill unit to go along with burners, flat top, double ovens</i>						
SUBTOTAL	37,500	10,000	12,500	-	-	60,000
GRAND TOTAL	199,000	292,500	212,500	-	-	764,000



CITY COUNCIL MEMO

DATE: February 19, 2018

TO: Mayor and City Council

FROM: Andrea Schmidt, Parks & Recreation Director

SUBJECT: Fort Martin Scott Trail designation

Summary:

In August of 2017, City Council received an in-depth report on a potential hike and bike trail at Fort Martin Scott. This report is attached and included a 3 mile trail behind Fort Martin Scott and across Barons Creek on the University Center property. At this time, we would only like to designate the approximate 1.44 mile trail on the west side of Barons Creek as a City trail. This part of the trail is on city property. At this time there is not funding to build the trail or staff to maintain it but by designating this section as a trail now, if a grant opportunity or funding becomes available, staff can pursue those to build the trail. There may also be volunteer groups that can assist with the construction or ongoing maintenance. In addition, the trail can be included in the upcoming Fort Martin Scott Master Plan. There are some safety concerns that will need to be addressed prior to the trail being opened to the public.

Recommendation:

Consider designating the property behind Fort Martin Scott on the west side of Barons Creek as a city trail.

Background / Analysis:

The City of Fredericksburg

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In the fall of 2016, the Friends of Fort Martin Scott hired a consultant to discuss the possibility of a trail on the city property behind Fort Martin Scott. Over the next six months, the consultant met with various stakeholders and worked with City staff to develop a proposed layout made up of five loops: three loops on the west side of Barons Creek and two on the east side of the creek. At this time only the three loops on the west side of Barons Creek would be designated as City trails.

Attachments:

Proposed Hike and Bike trail map, Fort Martin Scott Trail plan final report

Department Approval



City Manager Approval

The City of Fredericksburg

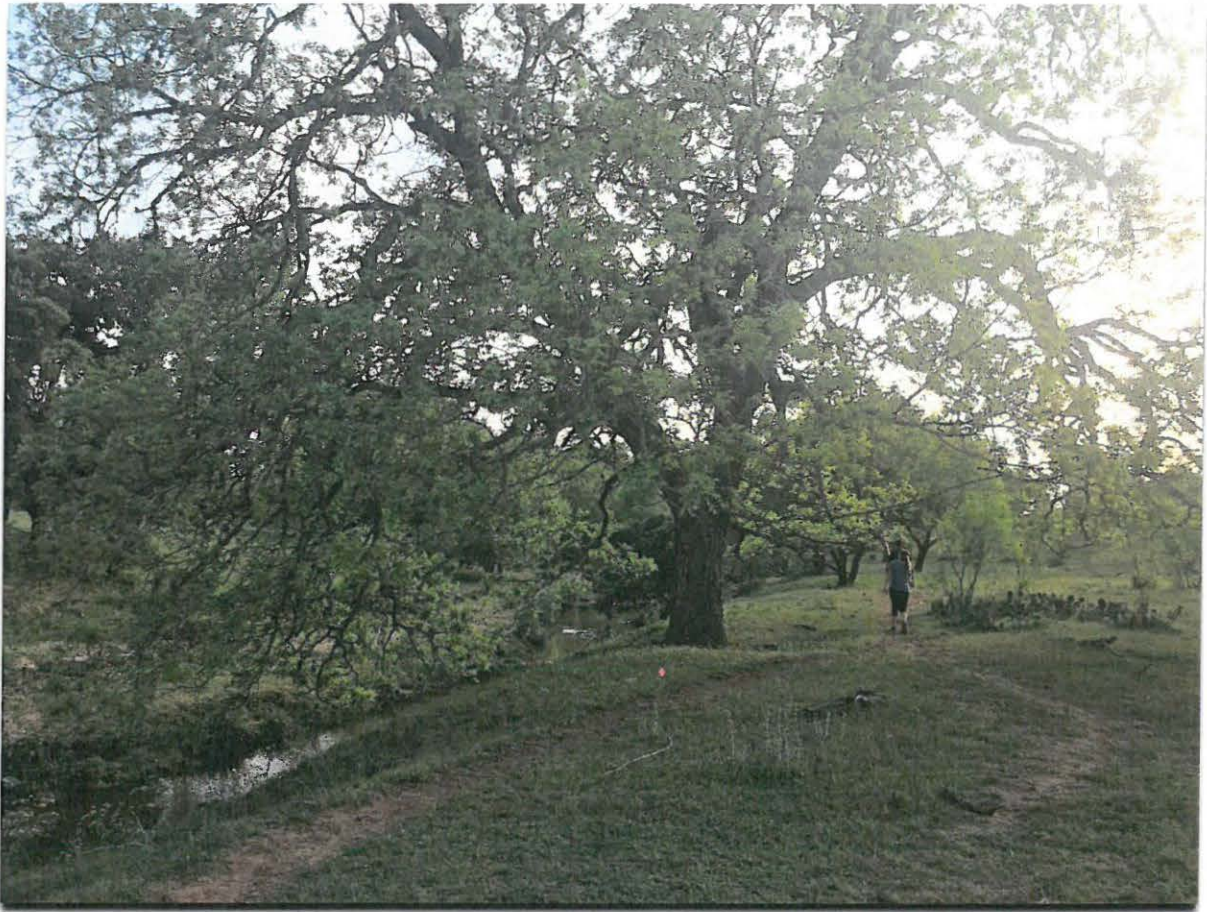


Profitable Non-Profits

Conservation without funding is conversation

**VISIONARY MAP AND DETAILS FOR
PROPOSED 3-MILE TRAIL SYSTEM
FOR FORT MARTIN SCOTT FRIENDS
MAY 8, 2017**





OVERVIEW

1. Project Proposal History

A proposal for a visionary map and proposed trail plan for land owned by the City of Fredericksburg was submitted by Jennifer Lorenz, President of **Profitable Non-Profits**, on March 1, 2017 to the board of Fort Martin Scott Friends. Approval for the contract was signed by Walter Moldenhauer, President of Ft. Martin Scott Friends and Jim McCrae, Chairman of Ft. Martin Scott Advisory Board and provided to Profitable Non-Profits on April 3, 2017.

Fall 2016

Jennifer Lorenz met with Jim McCrae, Chairman of Ft. Martin Scott Advisory Board and Treasurer, Ft. Martin Scott Friends in the fall of 2016 for a site visit at Ft. Martin Scott to determine possibility of a future hike and bike trail system in and around the fort and specifically along Baron's Creek.

January 2017

Met with local bicycle shop owner and discussed dearth of bike trails in and around Fredericksburg. Found great enthusiasm and willingness to help provide input and potential volunteers for trail building and maintenance.

Met with Ft. Martin Scott Friends Board member Mary Lu Abbott and discussed the organization.

Later in the month, met at the Fort with a number of volunteers including Mary Lu Abbott and Jim McCrae and received more background on history of the Fort.

February 8, 2017

Was invited to and attended full board meeting of Ft. Martin Scott Friends held at City Hall and shared possibility of trail assistance and was asked to put a proposal together for submission to the board.

February 17, 2017

Requested and received from Asst. City Engineer Garrett Bonn, detailed maps of site area and had phone discussion with him on future site visits for planning and mapping purposes and potential assistance from City of in-the-field Trimble system for mapping purposes.

February 27 & 28, 2017

Met with Jim McCrae at the Fort and discussed proposal with him and made some edits. Viewed and discussed likely entry area. Mailed board details of proposal.

March 1, 2017

Jim McCrae secured funding of proposal and Friends of Ft. Martin Scott vote to approve proposal.

2. Project Background

A hike and bike trail system along Barons Creek would likely significantly increase visitors to Ft. Martin Scott while providing a much-needed additional hike and bike trail system in Fredericksburg, Tx. Trails are known to bring additional business to a city and also bring recognition to the area as a good place to live. An increasing number of people want to live near a trail near their neighborhood.

There is already current adequate parking area for the initial potential users of this trail system on site; no additional parking would be needed to begin the trail system. TrueGrid, a permeable paving surface www.truegridpavers.com would likely be the best type of surface for the site. It allows water to seep through while allowing grass to grow, thereby not causing runoff to any area buildings or nearby walkways. It can handle heavy vehicles (including 18-wheelers) without rutting, including school buses, and is less expensive than asphalt or concrete and has been used in multiple park systems.

3. Affected parties included in plans

Members and employees of the following entities were included in onsite meetings and/or discussions about the trail:

- Ft. Martin Scott Advisory Board: Jim McCrae
- Ft. Martin Scott Friends: Walter Moldenhauer, Mary Lou Abbott,
- City of Fredericksburg Parks Dept: Andrea Warren, City of Fredericksburg Parks Director
- City of Fredericksburg Engineering Dept: Garret Bonn, Asst. Engineer; Lea Feague, Dept. of Public Works

4. Deliverables

Over the course of a month, (April, 2017) Jennifer Lorenz conducted 8 site visits to the proposed trail system.

Flags were provided by the City of Fredericksburg to stake the entire trail system including 5 "loops" within the the trail system. As of April 25th, the entire trail was flagged.

- **Soil types and elevations**
 - The trail is specifically laid out in the areas where the softest sand sediment areas are avoided (for the benefit of bikes) and there are no low sections of the trail to be concerned with having to be bring any type of fill substrate
 - The trail is specifically brought by and across a unique red clay bluff where the area's unique geology can be pointed out on interpretive signs
 - Proper sloping of the trail was taken into account to minimize erosion issues
- **Review of archeological issues where bridges are proposed to be located along trail system**
 - Jennifer spoke in person with John Benedict, Archeology Steward with the Texas Historical Commission at the spring Ft. Martin Scott field day on April 28, 2017
 - Benedict said that the only suggestion he would have is that where the digging areas for posts that are put in at the two needed creek crossings, that an archeologist is there on site during that excavation as these holes are dug so that if any middens or any type of archeological artifacts are brought up, they can be preserved and registered.
 - Jennifer shared the quartz "reject" (of a potential arrowhead) her daughter found in mid-April near the Friends' building. Benedict said it was approximately 3,000 years old and many artifacts have been found in the area. (JL is leaving the artifact with the Friends' group).
 - Jennifer shared that all of the trail (with the exception of the bridges) would be low-impact and would require no digging; simply weed-eated to highlight edges of and to maintain the trails. He said that this would be the least impactful type of trail system and no archeologist would be needed for any of that work.
- **Meeting with Ft. Martin Scott and Hill Country University Center for discussion of additional trailhead as they have a lease with the City**
 - Jennifer and Jim McCrae held a meeting on April 11, 2017, with Kim Kimmey, Executive Director of the Hill Country University Center
 - She said while she might personally be a proponent, it was not up to her to be vocal in her support and that this would be a board decision
 - Jennifer provided an email that Kimmey forwarded to her full board inviting all of them to various site visits
 - Steve Cannon, board member of the University Foundation attended multiple site visits
 - Steve did bring up the trail as new business at their April 2017 board meeting and he said there were a number of questions about the trail that he said would be good for a representative to address at an upcoming meeting.
- **Documentation of areas of specific interest and concern during and after 8 different site visits for each group representative listed below:**
 - Ft. Martin Scott Advisory Board, Jim McCrae
 - Ft. Martin Scott Friends, Walter Moldenhauer, Larry Shaw (and his wife Janet Shaw)
 - City of Fredericksburg Parks Dept.- Andrea Warren
 - City of Fredericksburg Engineering Dept. – Garret Bonn
 - Texas Forest Service: Brad Hamel, Regional Urban Forester from Austin
 - Bike trail proponent: Lisa Nye Salladin, Owner of Hill Country Bicycles (who made 2 site visits)
 - Native Plant Society Members: President, Chris Anderson, Kathy Lyles
 - Birding Representative and certified Wildlife Habitat expert: Joyce Studer
 - Hill Country University Center interests: Kim Kimmey, Exec. Director of Hill Country University Center & multiple site visits with Hill Country University Foundation Board Member Steve Cannon
 - Volkssport Verein Fredericksburg: Board President David Anderson
 - Fredericksburg Standard newspaper and runner: MacKenzie Wedel
- **In the field Trimble system mapping of flagged areas with City of Fredericksburg Engineering Dept.**
 - by Garret Bonn
- **Physical map made by City of Fredericksburg Public Works Dept.**
 - by Lea Feuge

- **List of strong potential and confirmed volunteer contact information**
 - Biking support
 - Lisa Nye-Salladin, owner of Bicycle Works on 702 B E. Main St.
 - Lisa shared that the Texas Mountain Bike Racing Association has a volunteer program <http://www.tmbra.org/paydirt/paydirt.htm>. This Bicycle Sport Shop's PayDirt program is offered in conjunction with the Texas Mountain Bike Championship Series to encourage mountain bikers' involvement in the maintenance and building of trails, a mountain biker's greatest asset.
 - 830-896-6864; hillbike@kfc.com
 - Hiking support
 - David Anderson, President of Volkssport Verein Fredericksburg, the local hiking club, says he has 6 members in Fredericksburg but additional members in San Antonio and all the way to Santa Fe and that they are looking to add 3 mile hikes to their options
 - dlroberts@hotmail.com; 830-992-7584
 - <http://www.walktx.org/AVA1/>
 - Running support
 - Brad Quinn, Tejas Trails – running races all throughout Texas including the Hill Country, willing to also, similar to the bike racers, provide runners who need volunteer hours to help establish and maintain the trail
 - Brad@Tejatrails.com 830-613-6134
 - www.tejatrails.com
 - Native plant support and technical assistance
 - Chris Anderson, President Fredericksburg chapter of Native Plant Society of Texas
 - Sligo.canine@gmail.com 830-998-8559
 - Tree expertise for care and technical assistance
 - Brad Hamel, Texas Forest Service Regional Urban Forester, Central Texas, Austin
 - bhamel@tfs.tamu.edu; 512-339-4618 (office), 512-954-4056 (cell)
 - Mickey Merritt, Texas Forest Service (second home near Fredericksburg, based in W. Tx)
 - mm@tfs.tamu.edu; 713-562-6469
 - Archeology input
 - John Benedict, Texas Historical Commission, Archeology Steward
 - johnbenedict@qvtc.com; 830-388-0262
 - Hill Country University Center
 - Steve Cannon, Member of Board of Directors of Hill Country University Center Fndn.
 - stecan@cesc.net; 214-289-6705
 - Fredericksburg public school system (high school students who need to log volunteer hours)
 - Dan Aldrich, Head Coach Cross Country Boys and Girls (50 students), very excited about this potential for his athletes; they 'currently are running perilously on the city streets' and some at Lady Bird park but they have to constantly fill in holes there and there's lots of rocks; he said they'd be happy to help with construction and maintenance and would be thrilled to get to use this trail system
 - daniela@fisd.org; 830-456-4441
 - Fredericksburg High School clubs that need local community service hours
 - 830-997-9551 ROTC, National Honor Society, Interact Rotary Club, Z Club, FCCLA, Trades Construction Group, Criminal Justice team
 - Eagle Scout projects including Hornaday projects (for bench building, signage and work projects)

5. Timeline/Schedule

Profitable Non-Profits kept to the proposed timetable of 4-6 weeks (completing project within 5 weeks).

Conclusion of project:

Map and notes of Proposed Trail system for Fort Martin Scott Friends and the City Advisory Board of Fort Martin.
The vision is for future City Council discussion and potential approval and subsequent development.

Following pages: Details of areas of interest and areas of concern for new 3-mile trail system

Areas of Interest

Loop 1: Pecan Loop

(all photos by Jennifer Lorenz – Profitable Non-Profits)



The end of this first loop section of the trail has hikers and bikers weave through a section of stately pecans on a western turn of the creek

The main trailhead for the 3-mile trail will begin at the Fort Martin Scott Friends' building located at the far NE corner of the Fort grounds and hikers and bikers will be on the western side of the creek going north.

This first loop is likely what most walkers will take for a short hike from the Fort grounds. This section takes hikers along a higher ridge above the creek and is easy to navigate and quite open without much tree canopy.

There are multiple areas though with large trees and shade to place at least three different benches and a few nature identification signs including details about the geology of the red clay cliffs and the pecan trees and predominant hackberry trees and their benefits for numerous bird and butterfly species.



Shown l-r: At trailhead by the Friends' building: Jim McCrae, Walter Moldenhauer, Lisa Nye-Salladin, Kathy Lyles, Chris Anderson, Steve Cannon and Joyce Studer on first day of trail marking April 13, 2017



"Dancing trees" along this section – a large hackberry (left) and a live oak, both leaning back gracefully, with their root systems supporting one another.



This loop also includes a view of a beautiful red clay bluff.

Along this first section of trail are a number of different types of ecosystems, from the bald cypress and willow along the riparian edges of the creek, to cactus, to a large amount of lantana and thistle and bull nettle.

There are numerous places for contemplative and resting benches that can overlook the creek and be in the shade of some of the many special trees along this area.

Point of Interest – Storytime Tree Canopy



Yes, these are the author's daughters, at Easter 2017 showing "story time canopy" live oak tree appreciation

Immediately east and just south of the start of the trailhead behind the Friends building there are two massive live oaks with size measured by Brad Hamel with the Texas Forest Service in April of 2017 of DBH of 50.5" and circumference of 13'6" and DBH of 57" and 15'3" circumference.

These trees are centuries old and while needing to be much better protected (*see notes of concern p.13*) they could provide a fantastic shady setting for story times for the twice-a-year historical re-enactments that the Fort holds.

A great use and protection of this unique area would be to boardwalk a large portion with seating all around the edges (with gaps in between the slats to not inhibit rain to the large root systems). Trex (recycled wood/plastic lumber) would be a good material for use in this area as it does not splinter, is weather resistant, and is lighter than wood, to not impose too much weight on the trees' root systems.

The dark and large canopy area would also be a perfect setting for a new annual event which would be a Halloween story time to share ghost tales including Enchanted Rock creaking "sounds" and other Hill Country stories. A trick or treat and/or scavenger event could be held here and at the various buildings at the fort.

This area would not be accessible to bikes, but to simply walk to as a part of the trail system and to easily access right behind the Friends' building.

Loop 2: Cattle Pen Loop



An old cattle pen is located at the end of this loop.

This extension of the first loop, heading further north along the trail has a number of sections of interest:

- 1) It travels along behind the City's wastewater treatment plant which feeds into the creek. This could provide the opportunity for some signage that explains the City's processes and how the water's cleaned and treated before released into the creek.
- 2) Old cattle pens – left in place (and possibly restored somewhat) these pens could provide areas for signage opportunities to tell the history of cattle drives and cattle raising in the area

Loop 3: Meadow and Forest Loop



Prickly pear cactus growing in notch of old live oak in forested section of trail

After crossing the creek at the northern-most bridge crossing, hikers and bikers will go up a small, fairly steep incline to a gate and funnel out into the large meadow area. The trail skirts next to the fenced forested section.

The trail then loops through a thick canopy of trees. Through this area in many sections the trail width will narrow down from 6 ft. to often times as narrow as 3.5-4' to lessen the tree-cutting impact. The juxtaposition between wide open meadow areas (which will hopefully be seeded with native wildflower and tall grass seed in areas next to and within the trail system) and the heavy-canopied forest section is a great example of various hill-country ecosystems.

The trail plan through this largest section is to purposefully remain along the edges of this city-owned land as it is currently leased by the University Center and plans are not firm for all the buildings in this area.

There is a hope by many members providing input in this trail development process (and by this author) that the forested section of this area remains intact as it provides habitat for multiple bird species and a "stray" axis deer population, seen during multiple visits during this process. It has been shared that there was a previous use of some of this section but that current plans do not show development there.

Loop 4: University Loop

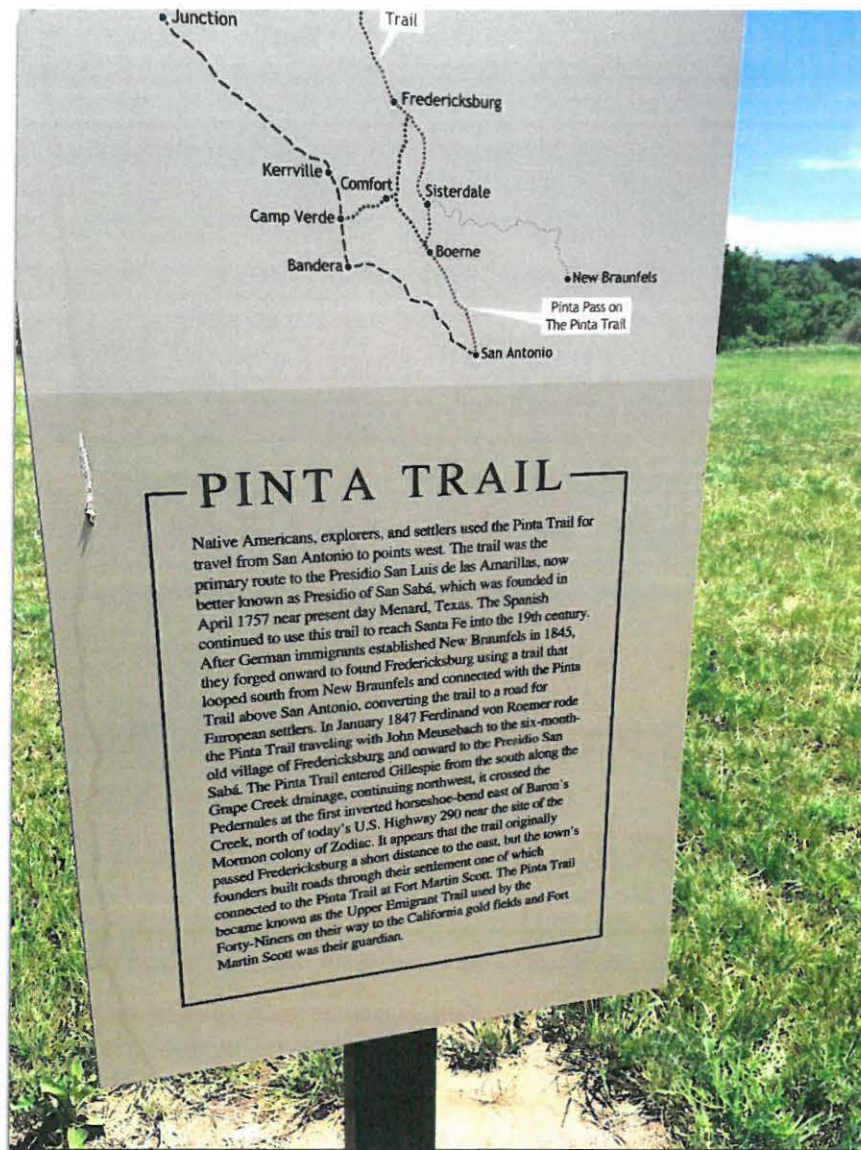


This large live oak has a naturally-grown kick stand that older live oaks often grow to help support heavy branches.

This shortest of the trail loop systems will provide a covered canopy (thus cooler in warmer weather) for University Center students and employees and conference attendees who want to do "forest-bathing" for a short hike and get out of the air-conditioning and into the green.

There are beautiful live oaks throughout this section including a number of larger, older ashe juniper (cedar) that may help provide the endangered golden-cheek warbler with necessary nesting material.

Loop 5 - Fort Martin Loop



Following the west side of the trail system, this loop system will be accessed (for those not accessing it first) by the Pinta Trail Crossing bridge. The historic Pinta Trail was used by native Americans, explorers and settlers for travel from San Antonio to points west.

After crossing Barons Creek at this southern bridge within this trail system, hikers and bikers will be deposited into the fort near the largest live oak within the loop of the Fort Grounds. (59" DBH, Circumference 16' – Texas Forest Service measured April, 2017. Brad Hamel with the Forest Service would like to know if old photos exist of this tree to help in getting an age estimate)

While there has been some expressed concern about bikes through the fort grounds on the trail system, fat mountain bike tires, ridden at a leisurely pace, will not damage the trail loop within the fort. This would provide a different type of bike experience, like almost no other in Texas, where riders and walkers can drop in to view the various buildings when open and when not, can view the signage. This would entice more visitors to the fort and would allow a full experience of the natural world of the trail system and the historical world of the Fort to wonderfully merge.

Areas of concern that should be addressed: (listed in order of priority)



- 1) Horse exclusion by fencing from under old live oak tree canopies behind Friend's building.
 - a. The horses are damaging the trees by eating the leaves (witnessed on multiple occasions)
 - b. Their consistent congregation in this area is causing significant soil erosion areas and their weight and hooves are causing damage to these old tree root systems.

- 2) Man-made erosion issues at this area by these old tree canopies also need to be addressed. It is unclear where the runoff is exactly coming from near these trees but that direct water flow needs to be softened and this area needs to be fixed as it is impacting root systems of these old trees.
- 3) Before any part of the first loop is formally open to the public, a large infestation of poison hemlock along the proposed northern creek crossing needs to be eradicated.
 - a. This species can cause enormous skin reaction issues when touched. It does look similar to Queen Anne's lace and many people are unaware of the poisonous nature of this plant.
 - b. A link provided by Rita Reisor, with the U. S. Forestry Dept., provided the following link for guidance <http://ipm.ucanr.edu/PMG/PESTNOTES/pn74162.html>
 - i. This work should be performed by adults and not children.
 - ii. Goggles, gloves, long sleeves and long pants and boots need to be worn to extract the plants
 - iii. A plastic bag should be placed over each large plant to lessen opportunities to touch the skin, plant should be cut at the base, and then roots dug up; this plant should not be mowed in any fashion
 - iv. All of the plant and roots should be disposed of in the trash and not recycled into green mulch nor should it be burned, as the dead plant is still poisonous
- 4) Before any part of the trail in the forested section on the far east side of the trail is open to the public, many dead live oak branches and some whole live oak trees will need to be cut. These dead trees and limbs can be a liability issue for the city with the frequent high winds the area experiences. A certified arborist along with the Texas Forest Service should be on hand for this work so that dead limbs on living trees can be cut without damaging live trees, and large trees need to be felled with the least amount of damage to surrounding trees.

Low impact trail system construction and maintenance

98% of the trail can be constructed and maintained by volunteers.

Proposal is that the trail be entirely natural earth base (no concrete, asphalt or fill or substrate brought in). The minimal trail construction needed would be to use flagging as center point of the trail, with 3 feet on each side of flag, weed-eated or mowed for a total of a 6 ft. width all along the trail section so that two people can walk abreast as well as providing room for hikers, runners and bikers to pass one another. The exception of this width would be in some of the forested area near the University Center to lessen tree impact which may be 3.5-4 feet wide in sections.

There is a huge benefit in both construction and maintenance costs to the city by having this be an earthen trail system and not paved in any way as it is not needed and would provide a higher impact for erosion issues and runoff issues into the creek. Bicycles and hikers and runners can access the entire length of the trail system and except when the grounds are wet and soft immediately after a rain, strollers and wheelchairs should be usable on at least 75% of the trail system (the exception being the steeper sections of the forest areas of the trail by the University Center).

Major construction needs:



Example of a wooden bridge (but wider than this one) that could be constructed for bridges across Barons Creek.

Two bridges are needed to complete the full 3-mile trail.

- The first bridge to be constructed would be to the east of the first loop section, at a low crossing of the creek and just south of where the high ridge begins on the eastern side of the creek.
- The second bridge would be constructed at the historic Pinta Trail crossing and would access to and through the Fort grounds.

For aesthetic appeal, these bridges should be of similar construction and preferably a simple wood construction to not distract from the natural beauty of the area surroundings. Preferably old wooden bridge construction of the Hill Country area for historical purposes could be employed.

Recommendation for the Fort grounds:

It is somewhat miraculous that the significant, in both size and age, live oaks that are on the ground have not been infected by oak wilt. It is my suggestion that the Friends group and the City invest this fall in diversifying the native tree canopy at the Fort grounds. If oak wilt hits one of these trees, they are all connected by root systems underground and will rapidly diminish. Having more diversity of tree species will help ameliorate future blight of any specific species.

Potential funding for trees includes:

The Texas Urban Tree Council:

http://www.texasurbantrees.org/60/Micro_Grants [Apply Now.htm](#)

and Apache Corporation:

http://www.apachecorp.com/About_Apache/Philanthropy/Apache_Corporation_Tree_Grant_Program/index.aspx

Conclusion:

May 8th, 2017

This trail system, during multiple site visits by many individuals was responded to in the following manner:

"I had no idea what a jewel of land was back here!"

"I can't believe what a gem of a trail system this is going to be!"

"This will be such an asset to the citizens here and it is one of the prettiest areas of town."

Without exception, every person spoken to during the past weeks about this trail system deemed it not only worthy and exciting, but a needed addition to the city. Many people, even those who have lived in Fredericksburg for some years, were unaware of Cross Mountain, nor of the informal Lady Bird Park trail system. It is my wish that as the City works on enhancing and mapping those trails, that this trail will become a part of this crown jewel of trails for Fredericksburg.

It is my sincere hope that my concepts and trail design, greatly enhanced by all the local and outside input solicited and incorporated into this trail system, will provide more visitor interest in the Fort Martin Scott. And will also further enhance Fredericksburg as a beautiful place to live and visit. It has been my sincere pleasure to get to know many of these board members for Fort Martin Scott Friends who provide such passion for this site, in particular Jim McCrae, Walter Moldenhauer, Mary Lu Abbott and Larry Shaw. And in particular, thanks to Andrea Warren for her support and interest for this trail system and Garret Bonn for his much-needed trimble assistance and Lea Feague – who amazingly did her first trail map on this project (and whose work I edited the least of all map makers I've ever worked with!)

Thank you for the opportunity to provide what I know will become a much-loved asset to the Fort and to the City.

Jennifer Lorenz, Profitable Non-Profits

281-832-2089

Jennifer@profitablenonprofits.solutions



CITY COUNCIL MEMO

DATE: February 14, 2018
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Property Management-University Center

Summary:

A preliminary discussion is scheduled at Monday's City Council meeting on options for future leasing and property management of the University Center campus.

Recommendation:

It is recommended that the City Council discuss the questions listed below regarding the future leasing and property management for the University Center campus. Preliminary Council direction on these issues would be helpful prior to a meeting scheduled with the Texas Hill Country Higher Education Development Foundation Board later next week.

Background / Analysis:

The City has previously entered into three different agreements with the Foundation for the 68.09 acre campus known as the University Center. In 2006 the City and Foundation Board approved a Letter of Intent to lease the entire tract to the Foundation with 17.8 acres defined as phase 1. This property was envisioned as a public university campus at this time. According to this Letter of Intent the additional phases would be leased by the Foundation on a phase by phase basis at some future date. This Letter of Intent also committed the City to provide the necessary off-site infrastructure to serve phase 1 with the Foundation responsible for the infrastructure for future phases.

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In 2008 the actual 50-year lease of the 17.8 acre tract was approved. This lease required this phase and future phases to be developed according to the Master Plan that was developed at this time. This lease again defined the City's responsibility for off-site infrastructure with the Foundation responsible for all on-site infrastructure for this phase and future phases.

In 2012 a second lease was approved for 10 years covering the 3.05 acres used for the viticulture area. This lease again required that the Foundation be responsible for all infrastructure costs. The lease also limited the use of the property for operation of a vineyard and other public college purposes.

In 2017 the City and Foundation worked together to create a new master plan for the University Center campus. This plan includes a number of new uses that were not anticipated in the original campus master plan such as student housing, Performing Arts Center and the Texas Center for Wine and Culinary Arts. These facilities will likely be developed and owned by separate entities instead of the Foundation, Texas Tech or Central Texas College.

We have started to have meetings between representatives of the City and University Center to discuss how we might move forward to implement the new master plan. We have met with officials from both the Center for Wine and Culinary Arts and the Performing Arts Center. They have both indicated an interest in developing preliminary architectural plans and starting their fund-raising efforts.

Before we continue discussions with these organizations and other entities interested in developing facilities on this campus some very basic questions need to be discussed and resolved as outlined below. Next Wednesday Councilman Neffendorf and I will be meeting with the Foundation Board. Some preliminary Council direction on these questions prior to this meeting would be very helpful in defining the City's initial position. It is anticipated that there will be a need for a joint meeting between the Foundation Board and City Council in the near future. The key questions include the following:

- a. Should we proceed in accordance with the original Letter of Intent or does this Letter need to be revised?
- b. Who will be the responsible for future leasing and property management of the University Center campus? Will it be the City, Foundation or some separate quasi-government agency that will need to be created?
- c. Should all future users of the property have a well-defined public education function?
- d. How will future infrastructure costs be funded? Will the City consider the possibility of being a partner in funding some of these costs? Or should we expect that the tenants or the Foundation will assume all infrastructure costs? If the City is involved, should a lease rate be set that will ensure reimbursement of these costs within a certain period of time?

The discussion at Monday's meeting is intended to be very preliminary in nature. Our City Attorney will be reviewing the current agreements and will have some comment to offer. We have not invited any other current or future users of the campus to be present for this initial discussion. The existing

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agreements for the University Center campus are not included with this report but can be provided to the Council upon request.

Attachments:


Department Approval


City Manager Approval

The City of Fredericksburg



CITY COUNCIL MEMO

DATE: February 13, 2018

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Economic Development Agreement-Conference Center

Summary:

The attached economic development agreement provides HOT funds as an incentive for Barons Creek II LLC to develop a conference center on a 22 acre tract at the intersection of Highway 290 West and Highway 87 North. As required in the agreement, this Center would be required to be built in accordance with certain specifications set by the City. These specifications were included in the Marketing and Feasibility Study for the Fredericksburg Conference Center that was prepared by HVS Consulting and presented to the City in 2015. The specifications were subsequently included in a Request for Proposals (RFP) that was issued by the City in January, 2017.

Recommendation:

It is recommended that the City Council approve the attached Economic Development Agreement for the new conference center.

Background / Analysis:

Background

The need for a conference center in Fredericksburg has been discussed for at least the past 20 years. The Journey to 2020 Visioning Plan adopted in 1998 recognized the need for a conference center that

would help attract business meetings as “an excellent way to showcase our community to high tech businesses”. This plan recommended that the Chamber and Economic Development Commission consider ways to attract a privately-operated conference center.

Our current efforts to attract a conference center started in 2015 when the CVB retained HVS Convention, Sports and Entertainment Facilities Consulting to conduct a feasibility study to consider the possibility of developing a conference center in our community. Their report, which was completed in May, 2015, recommended a facility of about 17,500 sq. ft. including a 12,000 sq. ft. multi-purpose ballroom. This study included a recommendation that the center be connected to a 150-room full-service hotel. The study included additional data to support the feasibility of a conference center.

The HVS study also analyzed several different sites that would be the most feasible location for a conference center. The site at the intersection of Highways 87 North and 290 West was identified as one of the most highly rated sites.

The City then went through several different Requests for Proposals (RFPs) processes in 2016 and 2017. A second RFP was issued on January 4, 2017 with three proposals submitted. The proposal from Murphree and Company at the site mentioned above was recommended by a Steering Committee made up of officials from the CVB, EDC and City. On May 1, 2017 the City Council accepted the proposal from Murphree and Company which was then organized as Barons Creek II LLC. Since this acceptance some nine months ago, staff from the CVB, EDC and City have held numerous meetings with representatives from Barons Creek to discuss plans for their project.

The Project-Seven Hills Resort

The owner and operator of the proposed development, Barons Creek II LLC is a limited liability corporation established under the laws of the State. This company has purchased the 22-acre tract at the intersection of 87N and 290W including the former Racquet Club property. They propose a mixed-use development known as Seven Hills Resort. This includes not only the conference center but also a 150-room hotel, 11 guest house units and retail area. Their project plans are shown as an exhibit to the attached agreement.

A portion of the property will need to be annexed by the City. The zoning and land use plan for this development will have to be approved by the City Council and Planning Commission at a later date.

In terms of the conference center, it will include a minimum of 17,500 sq. ft. as required by the City. The center will include a multipurpose ballroom with a minimum of 12,000 sq. ft. A minimum of 6 breakout meeting rooms will also be provided. It will provide up to date technology including lighting, audio and visual equipment comparable to other first-class conference centers around the State.

Economic Development Agreement

The proposed economic development agreement provides HOT incentives for the Conference Center portion of the project only. The pledging of HOT revenues for conference center projects is limited by State law. These funds can only be used by the operator of the conference center to offset operational costs and for marketing and promotional activities that promote the convention and hotel industry in a local community.

According to the proposed agreement the owner/operator of the conference center will have to comply with a number of specific requirements in order to be provided the HOT incentives. They will have to start and complete the construction of the conference center by a specific date spelled out in the agreement. They will have to meet specific specifications in terms of the size of the center, parking and other amenities. And they will have to secure an adjacent full-service hotel that is a national franchise.

If they meet the requirements of this agreement, then they will receive the 7% City HOT funds generated by the hotel and adjacent guest house units (total of 161 rooms) for a 20-year period. The agreement also provides that any State HOT funds approved by the Legislature in the future will be used to offset the City's funds.

The language in the agreement is intended to comply with State law and has been reviewed by the Texas Hotel and Lodging Association.

The City will not provide any additional incentives in support of the project. The developer will be responsible for payment for all permit and impact fees, utility fees, sales taxes and property taxes. They will also be responsible for all utility and roadway improvement costs.

Attachments:

Economic Development Agreement with Exhibits


Department Approval


City Manager Approval

The City of Fredericksburg

CONFERENCE CENTER OPERATIONS AND CONFERENCE CENTER MARKETING AGREEMENT

This Agreement is entered into by and between **Barons Creek II LLC** (the "Owner") a Limited Liability Corporation established under the laws of Texas, and the **City of Fredericksburg, Texas** (the "City"), a Texas home rule municipal corporation. Owner and the City are jointly referred to herein as the "Parties" and individually as a "Party."

RECITALS:

Whereas, the City lacks sufficient full service hotel, meeting, conference and conference and convention facilities; and

Whereas, the City has made it a priority to promote economic development through tourism, including efforts to attract to the community out-of-town visitors, tourists, businesses, organizations, and groups whether for purposes of business or leisure travel; and

Whereas, conventions, meetings, tourism and tourism related industries and the money spent by conventioners, meeting attendants, and tourists are essential components of a diverse local economy aiding in the creation of jobs for local residents, increased revenues for local businesses, and increased local sales tax revenue; and

Whereas, the lack of sufficient hotels, meeting, conference, and convention facilities in the City has prevented the City from attracting tourists, visitors, meetings and conventions; and

Whereas, the City currently levies a local Hotel Occupancy Tax (HOT), as authorized by Texas Tax Code Chapter 351; and

Whereas, the Owner is the owner of certain real property within the corporate limits of the City where the Owner proposes to construct a hotel and conference center; and

Whereas, the City agrees that the inclusion of a conference center with the hotel will attract the number and types of conventions, meetings, tourists, and other visitors to the City that are critical to the City's goals and promotional efforts relating to attracting tourists, visitors, meetings, and conventions to the City; and

Whereas, the City Council finds that the Owner possesses expertise in the development and operations of hotel/conference center facilities; and

Whereas, in furtherance of the City's objectives and in consideration for, and reliance on, the Owner's promise to construct a hotel and conference center to the City's specifications, and operate the conference center as described in this Agreement, the City will compensate the Owner through payments equaling a percentage of the Hotel Occupancy Tax generated by the hotel; and

Whereas, the City Council finds that the Owner possesses expertise in marketing and promotional activities relating to tourism and the hotel industry and will actively engage in promoting the hotel/conference center and tourism in the City, including promoting travel to the City by others for meetings, conventions, and other similar events that will generate overnight hotel stays; and

Whereas, the Owner will engage in promotional activities that are directly compatible with the interests of the City, and the City desires to provide an incentive for such promotional activities; the City, will make available to the Owner certain portions of the Hotel Occupancy Tax generated by the hotel for a limited time, for use by the Owner to promote tourism and the convention and hotel industry, in the City; and

Whereas, the Parties concur that inasmuch as the Owner is a private organization to which the governing body of the City is delegating the management and/or supervision of those programs authorized hereunder, this Agreement is authorized by Chapter 351 of the Texas Tax Code.

NOW, THEREFORE, in consideration of the foregoing and the Parties mutual promises and obligations, and other good and value consideration the Parties mutually agree as follows

ARTICLE 1 DEFINITIONS

- 1.1 Definitions: All terms undefined in this Article shall retain their usual and customary meaning as ascribed by common and ordinary usage. As used in this Agreement, the following terms shall have the meanings ascribed below.

Agreement means this Conference Center Operations and Conference Center Marketing Agreement.

Agreement Effective Date means the last date the Agreement is executed by either party.

Agreement Expiration Date means 20 years from the date Owner remits its first payment of hotel occupancy taxes collected from the Hotel to the Texas Comptroller of Public Accounts.

Approve, Approved or Approval within the context of approval required by City shall mean the approval by the City Manager, or, if state statute or City Charter require, the approval of the City Council; and, further means that such approval shall not be unreasonably conditioned, withheld, delayed or denied by the City Manager or the City.

City means the City of Fredericksburg, Gillespie County, Texas.

City Council means the elected governmental body of the City.

City Manager means the appointed City Manager of the City.

Eligible Hotel Occupancy Proceeds means 7% of the amount paid for a Hotel room at the Hotel operated by the Owner.

Hotel Occupancy Tax or *HOT* means a tax currently levied by the City of Fredericksburg pursuant to Chapter 351, Texas Tax Code.

National Franchise means a national hotel franchiser of such class as Marriot, Hyatt, Omni, or Hilton or other Nationally recognized Hotel Operating and Management Companies

Project Value Amount means approximately Twenty Million Dollars (\$20,000,000), which is the amount the Owner is projected to receive during the entirety of the term of this Agreement depending upon: (i) the accuracy of HOT collections that are derived from the Hotel; and (ii) the Owner's compliance with the terms and conditions of this Agreement during the term of this Agreement. The cumulative amount Owner may receive during the term of this Agreement may be greater or less than the Project Value Amount depending on the aforementioned factors listed above in (i) and (ii).

ARTICLE 2 HOTEL AND CONFERENCE CENTER

- 2.1 Owner's Compliance Required. The Owner's compliance with the terms and conditions of Article 2 is a term of this Agreement bargained for by the City; and, the City shall have no obligation to make any payments under Article 4 of this Agreement until the Owner is in substantial compliance with the terms and conditions of this Article. Should, during the term of this Agreement Owner fall out of compliance with the terms and conditions of this Article, the City shall have the right to suspend payments otherwise due to Owner under Article 4 until the deficiency is cured. The City may not unreasonable withhold payments after the Owner has cured any identified deficiencies.
- 2.2 Construction Date. The Owner shall construct the Hotel/Conference Center using commercially reasonable diligence. Construction of the Hotel/Conference Center is anticipated to commence on or before September 1, 2018_____.
- 2.3 Completion Date. The anticipated completion of construction of the Hotel/Conference is evidenced by the issuance of a final certificate of occupancy by the City's building inspector that may occur on or before February 28, 2020_____.
- 2.4 Hotel/Conference Center Specification.
- 2.4.1 General.
- 2.4.1.1 The Property: The Hotel/Conference Center shall be constructed on an approximately 22 acre tract of real property located in Fredericksburg, Gillespie County, Texas, as is more specifically described in Exhibit "A".

- 2.4.1.2 The Campus. The Hotel/Conference Center campus shall be platted in accordance with the subdivision regulations of the City and shall include a retail center component. The layout of the campus shall be in substantial compliance with Exhibit "B".
- 2.4.1.3 National Franchise. The Hotel/Conference Center shall operate under a National Franchise that is approved by City. During the term of this Agreement, the Owner shall maintain full compliance with all Franchisor's requirements and shall be current on payment of all franchise fees and other fees imposed by Franchisor. For the purposes of the initial Agreement Curio by Hilton is the National Franchise approved by the City. Should at any time during the term of this Agreement, the Owner desire to discontinue its affiliation with Curio by Hilton and begin an affiliation with a new National Franchise the Owner shall provide City with 90 days' notice of such intent. The Owner shall not proceed with changing its National Franchise affiliation until such change is approved by the City. The City shall not unreasonably withhold its approval to a change in the National Franchise. If the City denies consent to Change, the City must provide written notice of the reasons for denial and allow the Owner a reasonable opportunity to respond.
- 2.4.1.4 Parking: As shown on Exhibit "B", total on-site parking shall consist of a minimum of 461 spaces of which a minimum of 300 shall be dedicated for Conference Center use and a minimum of 161 for Hotel use.
- 2.4.1.5 Other Amenities: The Property shall be landscaped at the level expected for a National Franchise Hotel; and, shall include water features and "dark skies lighting in compliance with City regulations." An enclosed walkway with HVAC should connect the main hotel building to the conference center lobby/pre-function space. The architecture and landscaping shall capture the historic Fredericksburg ambiances with the use of natural stone and wood materials and shall comply with the design requirements of the City of Fredericksburg's Entry Corridor Overlay Zoning District.

2.4.2 The Hotel.

- 2.4.2.1 Full Service Hotel. The Hotel shall be a full service hotel that shall include but not be limited to the following amenities:

Full Service Restaurant and Bar
Room Service for Hotel Guests
Concierge Service

Swimming Pool
Health Spa/Fitness Center
Business Center
Courtesy Gift Shop
Wi-Fi in Guestrooms and Public Areas of the Hotel
Valet Parking

2.4.2.2 Full Service Restaurant and Bar. The restaurant shall provide breakfast, lunch and dinner menus and shall be open seven days a week, including major holidays such as Easter, Thanksgiving, and Christmas day, for breakfast, lunch and dinner. As is typical with full service restaurants patrons shall be served at their tables by wait-staff.

2.4.2.3 Guest Rooms. The Hotel shall have a minimum of 161 guest rooms with a mixture of king and double queen rooms. The Hotel shall include a minimum of at least one hospitality suite for use by hotel guests and members of the public.

2.4.2.4 Layout. The Hotel's layout shall be substantially consistent with Exhibit "C".

2.4.3 The Conference Center.

2.4.3.1 Size and Layout. The Conference Center shall contain a minimum useable space of roughly 17,500 square feet.

2.4.3.2 The Ballroom. The Conference Center shall include a multipurpose ballroom (ceilings not supported by columns) that is divisible into a minimum of three rooms and shall have a minimum total meeting space of 12,000 square feet.

2.4.3.3 Additional Meeting Rooms. In addition to the ballroom the Conference Center shall provide a minimum of 6 meeting rooms of various sizes that have a minimum of 5,500 square feet of cumulative meeting space.

2.4.3.4 Amenities. The conference center shall provide up to date audio, visual and lighting technology, lobbies, pre-function and storage areas, and kitchen facilities comparable to that provided in other conference centers in the state operated under the approved National Franchise.

2.4.3.5 Layout. The Conference Center's layout shall be substantially consistent with Exhibit "D".

ARTICLE 3
(Intentionally Deleted)

ARTICLE 4
CONFERENCE CENTER OPERATIONS AND CONFERENCE CENTER
MARKETING

4.1 General. The City agrees to compensate the Owner for Conference Center Operations and Conference Center Marketing subject to the following:

4.1.1 Compensation from Eligible HOT Proceeds. The total compensation the Owner shall be eligible to receive for Conference Center Operations and Marketing shall be equivalent to one hundred percent (100%) of the Eligible HOT Proceeds which are derived from the following:

4.1.1.1 Number of Rooms. Eligible HOT Proceeds shall be collected from the 161 guests rooms listed in Exhibit "E". Future expansion of the Hotel that would increase the number of guest rooms shall not cause the Eligible HOT Proceeds amount to increase;

4.1.1.2 HOT percentage. Eligible HOT Proceeds shall only be calculated on the current City HOT rate of seven percent (7%) of the price paid for a hotel guest room. Future increases in the HOT rate above the current 7% of the price paid for a guest room shall not cause the Eligible HOT Proceeds amount to increase. The HOT tax rate shall not decrease below the current seven percent (7%) of the price paid for a guest room during the term of this agreement

4.1.1.3 Collected. For purposes of this Agreement, Eligible HOT Proceeds includes the HOT Proceeds collected from the City's portion of HOT proceeds derived from the Hotel unless the agreement is amended to include other HOT proceeds.

4.1.2 Special Account. The City shall create a special account in which Eligible HOT Proceeds shall be deposited when the Proceeds are received by City. Any funds reserved in the special account shall be available for the payment of eligible costs and expenses reasonably incurred, and compensation earned by the Owner during the City's fiscal year that appropriations are made in the City's budget. The City shall remit payment of HOT proceeds to the Owner within a reasonable time of receiving the funds.

4.1.3 State HOT Proceeds. Any State HOT Proceeds made eligible by future State legislation for payment to the Owner, shall replace payments made by City under this Agreement to the extent that the State proceeds generate an amount that equal the seven percent (7%) of HOT proceeds required under this Agreement. The seven percent (7%) of Eligible HOT Proceeds payable by City to the Owner by

the City under this Agreement shall remain the percentage amount of HOT payments made to the Owner whether or not funds used to make the payments are attributable to State HOT proceeds or City HOT proceeds, or a combination of both, when such payments are attributable to the HOT proceeds derived from the Hotel.

- 4.1.4 Reporting. All plans, reports and other documentation required to be submitted by the Owner to City under this Article shall be delivered to the City by Certified Mail Return Receipt Requested or in person or other means of delivery as provided by Article 12 of this Agreement.
- 4.1.5 Compliance with Article 2. In order to be eligible for payments under this Article 4, the Owner shall be in substantial compliance with the terms and conditions of Article 2.
- 4.1.6 Payment of Taxes. In order to be eligible for payments under this Article , the Owner shall be current on payment of the Hotel and Conference Center's property taxes, remittance of sales taxes, alcoholic beverage taxes, HOT taxes authorized, and any other taxes required to be collected by statute, ordinance, resolution or order.
- 4.1.7 Quarterly Reports. Quarterly Conference Center Operations Plans Compliance Reports and Quarterly Conference Center Marketing Plan Compliance Reports shall be due as follows:
reports for the first quarter (January 1 – March 31) shall be due on or before May 1, of each year; reports for the second quarter (April 1 – June 30) shall be due on or before August 1, of each year; reports for the third quarter (July 1 – September 30) shall be due on or before November 1, of each year; and reports for the fourth quarter (October 1 – December 31 shall be due on or before February 1 of each subsequent year.

4.2 Conference Center Operations.

- 4.2.1 Purpose. The purpose of the Conference Center Operations Reports is to provide the City with reasonable management, oversight, and control to insure that the Owner is using the HOT proceeds in compliance with Chapter 351 of the Texas Tax Code. It is the intent of the City that the Conference Center be operated in a manner that encourages the scheduling of events that attract out of town visitors, and encourage overnight stays in Fredericksburg hotels by event participants rather than events that are focused on local participation events.
- 4.2.2 Conference Center Operations Plan. At least 90 days prior to the anticipated date of issuance of a final Certificate of Occupancy, the Owner shall submit a Conference Center Operations Plan for City approval, which sets out the Owner's plan to achieve the Purpose stated in Section 4.2.1. The Conference Center Operations Plan shall:

- 4.2.2.1 provide a narrative that clearly articulates the Owner's strategy to solicit conventions, meetings and other events that attract out of town visitors and events that will bring out of town visitors to the City Sunday through Thursday; and provide that these conventions, meetings, and events will cause overflow stays at other hotels and lodging facilities within the City. These high value conventions, meeting and events shall have booking preference at the Hotel and Conference Center
- 4.2.2.2 Provide an annual budget for implementation of the Owner's strategy.
- 4.2.3 Conference Center Operations Plan Approval. The City, shall approve, disapprove or request modifications to the Conference Center Operations Plan submitted by the Owner within thirty (30) days after the City's receipt of the Plan. If the City has not approved, disapproved or requested modifications to the submitted Conference Center Operations Plan within thirty (30) days of receipt, the submitted Plan shall be deemed approved.
- 4.2.4 Review. The Conference Center Operations Plan shall be reviewed annually. The annual review shall begin on or before October 1 of the preceding year. During the annual review the Owner and the City shall diligently work together in good faith to make those modification to the Conference Center Operations Plan that are reasonably necessary to achieve the Purpose stated in Section 4.2.1. The annual review shall conclude on or before ~~INSERT DATE~~ December 1 of the preceding year; and, if the Conference Center Operations Plan was modified, the Owner shall submit the modified Conference Center Operations Plan to the City for approval as provided in Section 4.2.3. If the Conference Center Operations Plan is modified as provided in subsection 4.2.4, the modification plan shall include an implementation schedule so that the modifications do not interfere with bookings of the Conference Center that occurred prior to the approval of the modifications. The Owner shall not be entitled to compensation under this Section until such time as the modifications to the Conference Center Operations Plan is approved by City, either by City's express approval or by the passage of thirty (30) days after City's receipt of the Plan without City disapproving or requesting modification to the submitted Conference Center Operations Plan.
- 4.2.5 Quarterly Conference Center Operations Plan Compliance Reports. As provided in Section 4.1.7, each quarter during the term of this Agreement, the Owner shall submit a report to the City listing the events that were held at the Conference Center the preceding quarter. The report shall describe the nature and length of the event and the number of overnight hotel guests the event attracted, as well as total room nights generated.

- 4.2.6 Compensation. Subject to the Owner's substantial compliance with the terms and conditions of this Agreement the City agrees to compensate the Owner for Conference Center operations in an amount that equals up to seventy percent (70%) of the Eligible HOT Proceeds generated by the Hotel, each quarter. This section, and section 4.3.3 may be adjusted in the future to provide for another authorized amount to the extent allowed under Texas Tax Code 351.101(a)(3). However, notwithstanding any of the percentages set out in Sections 4.2.6 and 4.3.3 the Owner shall always be entitled to receive a total amount of HOT Proceeds that is equal to one hundred percent (100%) of the Eligible HOT Proceeds generated from the Hotel.
- 4.2.8 Payment. Within thirty (30) days after receipt of the Quarterly Conference Center Operations Plan Compliance Report the City shall remit payment to the Owner for compensation earned by the Owner for Conference Center Operations for the reported quarter.

4.3 Conference Center Marketing.

- 4.3.1 Owners Engaged. Pursuant to Section 351.101(c) of Texas Tax Code, City hereby engages the Owners for the management and supervision of certain promotional services, programs and activities that are eligible to be funded with revenue derived by from Hotel's the HOT Proceeds ("Statutorily Authorized Promotional Programs" or "SAPP(s)") specifically permitted under the Texas Tax Code Section 351.101(a) and as amended by the legislature during the term of this Agreement
- 4.3.2 Statutory Authorized Promotional Programs (SAPPs). The Owner recognizes the intent and desire of the City to establish and enhance a "brand identity" for the City. The Owner shall ensure that the SAPPs are compatible with and enhance the "branding" efforts of the City and the Fredericksburg Conventions and Visitor's Bureau. The Owner shall assist the City and the Bureau in developing strategies for coordinating all marketing efforts with the Owner's marketing programs, so that all marketing efforts are enhanced and maximized, to the extent reasonably possible. The Owner will make appropriate introductions of the Hotel personnel to the City Manager or his designee and the President of the Convention and Visitor's Bureau, with the intent to facilitate cooperative marketing efforts and activities beyond the matters specifically covered by this Agreement.
- 4.3.3 Compensation. Subject to Owner's substantial compliance with the terms and conditions of this Agreement, the City agrees to compensate the Owner for advertising and marketing the Conference Center in an amount that equals up to thirty percent (30%) of the Eligible HOT Proceeds generated by the Hotel, each quarter. This section may be adjusted in the future to provide for another

authorized amount to the extent allowed under Texas Tax Code 351.101(a)(3). However, notwithstanding any of the percentages set out in Sections 4.2.6 and 4.3.3 the Owner shall always be entitled to receive a total amount of HOT Proceeds that is equal to one hundred percent (100%) of the Eligible HOT Proceeds generated from the Hotel.

4.3.4 Preparation of Proposed Conference Center Marketing Plan. The Owner shall prepare and submit annually to the City a proposed Conference Center Marketing Plan on or before November 1st of the preceding year through the term of this Agreement. Such Conference Center Marketing Plan shall include:

4.3.4.1 A narrative description of the various programs. The descriptions shall include, without limitation, an explanation of the basis on which each proposed programs or activities qualify as a SAPP for purposes of this Agreement and the basis on which such programs and activities are compatible with and enhance the "branding" efforts of the City;

4.3.4.2 A budget indicating how much of the projected Eligible HOT Proceeds the Owner proposes to spend on each particular SAPP.

4.3.5 Approval of Conference Center Marketing Plan. The City, shall approve, disapprove or request modifications to any Conference Center Marketing Plan submitted by the Owner within thirty (30) days after the City's receipt of said Conference Center Marketing Plan. If the City has not approved, disapproved or requested modifications to the submitted Conference Center Marketing Plan within thirty (30) days of receipt, the submitted Conference Center Marketing Plan shall be deemed approved. Parties agree and acknowledge that they have a duty to act in good faith and work diligently toward developing an acceptable Conference Center Marketing Plan.

4.3.6 Conference Center Marketing Plan Amendments. Should the approved Conference Center Marketing Plan be determined by the Owners to provide insufficient flexibility to address applicable facts and circumstances as they develop, the Owner may, at any time, propose and request the City's approval of an amendment to the plan. No amendment shall be effective until approved by the City in the same manner as defined in Section 4.3.4.

4.3.7 Quarterly Conference Center Marketing Plan Compliance Reports. As provided in Section 4.1.7, each quarter during the term of this Agreement, the Owner shall submit a report to the City of expenditures made the preceding quarter. Each quarterly report shall show how much of the Eligible HOT Proceeds budgeted by the Owner was actually spent on each particular SAPP during the preceding quarter.

- 4.3.8 Payment. Within thirty (30) days after receipt of a quarterly report the City shall remit payment to the Owner for Compensation the Owner earned for Conference Center Marketing for the reported quarter.

ARTICLE 5 HOTEL DUTY TO CITY

The Owner acknowledges that, pursuant to the terms of this Agreement and Chapter 351 of the Texas Tax Code, it has a fiduciary duty to the City with respect to its handling and use of the HOT Proceeds provided under this Agreement. Further, the Owner acknowledges and agrees that under no circumstances shall the Owner have any right to receive any HOT revenue for Conference Center Operations or Conference Center Marketing not generated directly by the Hotel as Eligible HOT Proceeds unless the is Agreement is amended to provide other HOT proceeds to the Owner.

ARTICLE 6 RECORDS

The Owner shall maintain (or cause to be maintained) current and complete books and records reflecting the expenditure of funds from the Eligible HOT Proceeds in accordance with applicable law and prudent accounting practices. Further, the books and records of Eligible HOT proceeds shall be made available to the City for inspection during normal business hours upon reasonable advance notice. Only the books and records of Eligible HOT proceeds are potential public records which fall within the provisions of the Texas Government Code, Chapter 52 , and may be subject to disclosure to the public. The Owner shall cooperate fully with City and timely produce all books and records of Eligible HOT proceeds in response to any public request for disclosure. Before release of any information relating to the books and records of Eligible HOT proceeds, the City and the Owner should determine whether exceptions to disclosure may apply to the books and records of Eligible HOT proceeds and seek protection of the requested information is provided under provisions of Chapter 552 of the Texas Government Code and court decisions that interpret those provisions.

ARTICLE 7 CITY'S RIGHT TO AUDIT

The City reserves the right for the City's internal audit department personnel, or an independent certified public accounting firm selected by City, to conduct examinations of the books and records of Eligible HOT proceeds, during normal business hours, of the Owner. The books and records of Eligible HOT proceeds shall be made available to the City at the Hotel upon at least thirty (30) days' written notice to the Owner. ..

ARTICLE 8 DEFAULT AND TERMINATION

- 8.1 Owner's Default. Should the Owner fail to timely, fully and completely comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failures may constitute an Act of Default by the Owner. The

Owners shall have thirty (30) days from receiving written notice of Default from the City to cure and remove a Default; provided that the default cannot reasonably be cured within a thirty (30) day period, the Owners shall not be in default and the City shall not have the right to terminate this Agreement unless and until the Owner fails to commence curing a Default within the thirty (30) day period and bring the cure to completion. Should the Owner Default and not proceed to cure, the City may suspend payments otherwise due under this Agreement until the Default is cured.

- 8.2 City Default. Should the City fail to timely, fully and completely comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failures may constitute an Act of Default by City. The City shall have thirty (30) days from the receipt of written notice from the Owner to cure and remove the Default; provided that if such failure cannot reasonably be cured within the thirty (30) day period, the City shall not be in default and the Owner shall not have the right to terminate this Agreement unless and until City fails to commence curing a Default within the thirty (30) day period and prosecute a cure to completion with diligence. Notwithstanding the forgoing, a failure of City to make payment of compensation earned by the Owner is not subject to cure beyond the initial 30 day cure period. Should the Owners terminate this Agreement for non-payment of earned compensation, the Owners shall be entitled to all earned compensation as of the date of City's receipt of the written notice of termination. The Owners shall also be entitled to sue for damages subject to City Liability Limitations set out in Section 10.4
- 8.3 Unspent Funds. In the event this Agreement is terminated by either Party pursuant to the terms of this Agreement and unspent Eligible HOT Proceeds are reserved in the special account, such unspent amounts shall be eligible for use by the City in any manner permitted by Chapter 351 of the Texas Tax Code except for the Owners rights in Section 8.2 of this agreement to recover payments and compensation earned up to and including the date of termination of this agreement.

ARTICLE 9

LIABILITY OF OWNER AND CITY

- 9.1 No Liability of City Personnel. The Owner agrees that no provision of this Agreement is intended to or shall be interpreted to negate or diminish any statutory or common law rights the City may have to immunity under the laws of the State of Texas. Further, Owner agrees that it may assert claims only against the assets of City and that under no circumstances shall any officer or employee of City is personally liable for any of the obligations of City under this Agreement.
- 9.2 Indemnification. The Owner agrees to indemnify, save and hold harmless the City, its agents, officers, representatives, employees, from any and all present or future claims, demands or causes of action that may accrue on account of, arise out of, the Owners wrongful acts and/or omissions under this Agreement and/or the Owner's misuse of HOT and/or the mismanagement of such revenues. To the extent permitted by the Texas Constitution and State Law and with the mutual understanding that the City is a home

rule municipality chartered under the Texas Constitution and a political subdivision of the State of Texas and that an indemnity obligation cannot be paid from current revenues and that no order, resolution, tax nor interest and sinking funds has been set, adopted or established for payment of this indemnity obligation, and without expanding City's liability beyond the statutory limits of the Texas Tort Claims Act or under other law; and, without waiving or demising City's immunity beyond the scope of that allowed by the Texas Tort Claims Act or other law, the City agrees to indemnify, save and hold harmless the Owner, its officers, agents, employees, and representatives from all present and future claims demands or cause of action that accrue on account or arise out of the City's wrongful acts and/or omissions under this Agreement.

- 9.3 Judicial Decision Affecting Funds. If this Agreement or the use of HOT proceeds as provided herein is deemed to be impermissible or unauthorized by a court having jurisdiction over the Parties and the subject matter of this agreement, the Owner agrees that all future funds owed under this Agreement by the City shall cease and City shall have no further obligation under this Agreement.
- 9.4 City's Liability Limitations. In the event of the City's Default, as described in Section 9.2, the City's liability under this Agreement shall not exceed the Projected Total Value Amount of this agreement, less any payments made by City to the Owner at time of the Default; and City shall not be liable to the Owner for any other actual or consequential damages, direct or indirect, incidental damages or interest for any Act of Default by City under the terms of this Agreement.
- 9.5 Attorney's Fees. The prevailing Party in a legal action relating to the enforcement of this agreement shall be entitled to recover from the other Party reasonable and necessary Attorney's Fees, Expert's Fees and other costs incurred in the enforcement of this Agreement.

ARTICLE 10

GENERAL FUND OBLIGATIONS/APPROPRIATIONS

- 10.1 General Fund /Annual Appropriations. The Parties acknowledge and agree that the City's obligation under this Agreement to make payments beyond the current fiscal year is not subject to Article 11, Section 5 of the Texas Constitution and the payments and compensation contemplated under this agreement in no way obligate the City's general fund or any monies or credits of the City and creates no debt, nor liability to the Owner or third parties beyond the specific obligations contained in this Agreement. All payments made by the City under this agreement from the Special Fund created by this Agreement are subject to appropriation of such funds to be paid in the budget year for which they are made. If the Owner is not in Default of this Agreement, the City's obligation is to remit all payments and other charges from the Special Fund due under this Agreement for its entire term; and the City Manager shall include an appropriation for such payments in each subsequent budget until such time as the City's obligations under this Agreement are satisfied.

10.1.1 In the event that the City Council does not grant an appropriation of funds at any time during the term of this Agreement, the City Manager shall cause a budget amendment to be presented to City Council, at the first available meeting time, that allows or the appropriation to be made.

10.1.2 In the event that the Owner is not in Default of this Agreement and the City Council does not grant an appropriation of funds at any time during the term of this Agreement, and the non-appropriation did not arise from the unintended failure to include the appropriation in the budget, the City may be considered to be in Default of this Agreement.

10.1.3 Upon notice that a non-appropriation occurred, the Owner, may either terminate this Agreement or suspend its compliance with this Agreement.

10.1.3.1 If the Owner elects to terminate this Agreement, due to non-appropriations during any fiscal year neither Party shall have any further obligation under this Agreement.

10.1.3.2 If the Owner elects to suspend its compliance with this Agreement, for the fiscal year in which a no appropriation has occurred, the City Manager shall include the appropriation from the previous fiscal year in the budget for the subsequent fiscal year and if the appropriation is approved in a subsequent fiscal year, the Owner shall begin compliance again with this Agreement

10.2 The Parties acknowledge the purpose of this Article is to allow this Agreement to be compliant with Article 11, Section 5 of the Texas Constitution and other laws prohibiting municipalities from creating unfunded debt. In that regard, to the extent permitted by such laws, the City acknowledges, and promises, it shall not use this Article to avoid future payments of its fiscal obligations created by this Agreement when adequate funds are available to make such payments. Moreover, City acknowledges, and promises, that during any fiscal year a non-appropriations occurs, and the Owner elects to suspend its compliance with this Agreement, the City shall not use any HOT proceeds generated from the Hotel to fund any projects allowed under Chapter 351 of the Texas Tax Code. Additionally, the City shall not delegate HOT proceeds generated from the Hotel to any person, including another governmental entity or a private organization, for the management or supervision of programs and activities funded with revenue from HOT proceeds.

ARTICLE 11

TERM

11.1 This Agreement shall become enforceable upon the Agreement Effective Date, and, subject to earlier termination as provided herein, shall continue until the Agreement Expiration Date.

- 11.2 Notwithstanding the forgoing Section 11.1 and in recognition of the fact that final Eligible HOT Proceeds shall be collected and deposited into the special account established by this Agreement. The Expiration Date of this Agreement shall be extended until any and all Eligible HOT Proceeds collected and deposited in the special account and are distributed to the Owner prior to the Expiration Date of this Agreement.

ARTICLE 12 NOTICES

- 12.1 Any notice provided for in or permitted under this Agreement shall be made in writing or served by: (i) delivering the same in person to the Party to be notified, (ii) depositing the same in the United States mail, postage prepaid, registered or certified with return receipt requested, and addressed to the Party to be notified at the address herein specified, or (iii) delivery by private courier with proof of delivery required. If notice is deposited in the United States mail pursuant to (ii) of this Article, it will be effective from and after the date of receipt or delivery. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purpose of notice, the address of the parties shall be, until changed as provided for, as follows:

If to City:

With a copy to:

If to Owner:

With a copy to:

- 12.2 The Parties shall have the right, at any time, to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days' written notice to the other Party. Each Party shall have the right from time to time to specify additional parties to whom notice must be given by delivering to the other Party fifteen (15) days' written notice thereof setting forth the address of such additional party or parties; provided, however, that neither Party shall have the right to designate more than two (2) such additional parties. Notice required to be delivered under this Agreement to either Party shall not be deemed to be effective until the additional parties, if any, designated by such Party have been given notice in a manner deemed effective pursuant to the terms of this Article.

ARTICLE 13 RELATIONSHIP

The Owner shall at all times be the independent contractor of City and not the employee or agent of City, with respect to the matters provided for herein. The Owner shall have no right or power to contract with third parties for, on behalf of, or in the name of City or to otherwise bind or obligate the City.

ARTICLE 14 SUCCESSORS AND ASSIGNS; ASSIGNABILITY

- 14.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Parties and their respective heirs, representatives, successors and assigns.
- 14.2 Sale, Transfer, Assignment by Owner. The Owner shall be permitted to assign this Agreement, in whole or in part, with the written consent of the City. Upon any sale or other transfer of ownership rights by the Owner, the Owner shall notify the City within sixty (60) days in writing of such sale or transfer. The City may not unreasonably withhold consent to sell, transfer, assign or convey this agreement and must provide written notice of the grounds for any denial of consent within thirty (30) of receiving a request from the owner to sale, transfer, assign, or convey.

ARTICLE 15 MISCELLANEOUS

The following miscellaneous provisions are made part of this Agreement:

- 15.1 Additional Instruments and Mutual Assistance. The City and the Owner shall perform all reasonably necessary or appropriate actions to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the terms and provisions of this Agreement.
- 15.2 Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement unless this Agreement is amended. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- 15.3 Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Gillespie County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Gillespie County, Texas.
- 15.4 Binding Obligation. This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. The City warrants and represents that the individual executing this Agreement on behalf of the City has full authority to execute this Agreement and bind the City to the same. The Owner warrants and represents that

the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same, as provided below:

- 15.4.1 City Council has authorized the City Manager to execute this AGREEMENT on behalf of the CITY, as evidenced by Resolution, dated February 19,, 2018, and attached hereto as Exhibit "F.
- 15.4.2 Owner has authorized _____ to execute this AGREEMENT on its behalf, as evidenced by _____ Affidavit, dated _____, 201__, and attached hereto as Exhibit "G".
- 15.4.3 The Owner has provided the following: Certificate of Formation certified by the Secretary of State of the State of Texas (the "Secretary of State"); and Certificate of Existence issued by the Secretary of State; and Certificate of Franchise Tax Account Status issued by the Texas Comptroller of Public Accounts (the "Comptroller"), which are attached hereto as Exhibit "H".
- 15.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- 15.6 Construction. The Parties acknowledge that the Parties and their counsel have reviewed and revised the Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Agreement.
- 15.7 Employment of Undocumented Workers. During the term of this Agreement, the Owner agrees to not knowingly employ any undocumented workers, and, if convicted of a violation under 8 U.S.C. Section 1324a(1), the Owner shall be in Default and repay the amount of the funds received by the Owner from the City as of the date of such violation within one hundred twenty (120) days after the date the Owner is notified by the City of such violation, plus interest at the rate of six percent (6.00%) compounded annually from the date of the violation until paid in full. The Owner is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of the owner or by a person with whom the owner contracts; provided, however, that identical federal law requirements provided for herein shall be included as part of any agreement or contract which the Owner enters into with any subsidiary, assignee, affiliate, or franchisee for which funds provided herein will be used.
- 15.8 Enforcement. The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. The Owner shall provide to the City Attorney all documents and records relating to the HOT Proceeds collected and expended under the terms of this Agreement that are in the Owner's possession that

the City Attorney requests to assist in determining the Owners compliance with this Agreement.

15.9 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the City Council of the City of Fredericksburg, Texas and the Owner.

15.10 Exhibits and Attachments. All Exhibits and Attachments referenced in this AGREEMENT are attached hereto and incorporated herein for all purposes. Exhibits to this AGREEMENT are as follows:

- Exhibit "A": Description of real property.
- Exhibit "B": Site Plan of the Hotel/Conference Center Campus.
- Exhibit "C": Hotel layout.
- Exhibit "D": Conference Center layout.
- Exhibit "E": List identifying guest rooms that may generate Eligible HOT Proceeds.
- Exhibit "F": Resolution of City Council.
- Exhibit "G": Affidavit of the Owner.
- Exhibit "H": Owner's corporate documents.

15.11 Force Majeure. It is expressly understood and agreed by the parties to this AGREEMENT that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, governmental action, delay in issuance of permits or approvals (including, without limitation, fire marshal approvals), enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the obligated party and delays caused by the other party, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.

15.12 Gender. The gender of the wording throughout this AGREEMENT shall always be interpreted to mean either sex, or where the context requires, the plural of any word shall include the singular.

15.13 Governing Law. The AGREEMENT shall be governed by the laws of the State of Texas, and the venue for any action concerning this AGREEMENT shall be in Gillespie County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of a court of competent jurisdiction in said County.

- 15.14 Governmental Records. All invoices, records and other documents required for submission to the CITY pursuant to the terms of this AGREEMENT are Governmental Records for the purposes of Texas Penal Code Section 37.10.
- 15.15 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.
- 15.16 Ordinance Applicability. The signatories hereto shall be subject to all ordinances of the City that are directly related to subject matter and performance of this Agreement, whether now existing or in the future arising; provided, however, no ordinance shall reduce or diminish the contractual obligations contained herein. This Agreement shall confer no vested rights on the Owner of the project unless specifically enumerated herein.
- 15.17 Prohibition against boycotting Israel. To the extent required under provisions of the Texas Government Code Section 808.001 the Owner affirms it does not boycott Israel, and that during the term of this Agreement shall not Boycott Israel as that term is defined in the Texas Government Code Section 808.001. In the event that City discovers that the Owner violated Texas Government Code Section 808.001, during the Term of this Agreement the City shall have the unilateral right to void the Agreement.
- 15.18 Recitals. The recitals hereto are incorporated in this Agreement for all purposes.
- 15.19 Severability. In the event any provision of this Agreement is determined by any court of competent jurisdiction to be illegal, invalid, or unenforceable under present or future laws, it is the intention of the Parties hereto that the remainder of this Agreement shall remain in force as to the balance of the provisions not affected . It is also the intent of the Parties to this Agreement that the Agreement shall be amended with new provisions added that are legal, valid and enforceable and similar in terms to the provision found to be illegal, invalid or unenforceable.
- 15.20 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.
- 15.21 Waivers. No failure or delay of a Party in the exercise of any right given to such Party hereunder or by law shall constitute a waiver thereof, nor shall any single or partial exercise of any such right preclude further exercise or of any other right. The waiver by a Party of any breach of any provision hereof shall not be deemed to be a waiver of any subsequent breach or of any breach of any other provision hereof.

Remainder of this page intentionally left blank. Signatures follow on the next page.

Executed to be effective this ____ day of February, 2018

CITY OF FREDERICKSBURG

By: _____
Kent Meyers, City Manager

ATTEST

By: _____
Shelley Britton

BARONS CREEK II LLC

By: _____
Dennis E. Murphree, Manager

PROPERTY DESCRIPTION

Exhibit A

TRACT I:

BEING all of Lot 1B, in Klier Subdivision, situated in Gillespie County, Texas, as said lot is shown, designated and delineated on the plat of said subdivision, found of record in Volume 2, Page 144, Plat Records, Gillespie County, Texas.

TRACT II:

BEING all of Lot 2, in Klier Subdivision, situated in Gillespie County, Texas, as said lot is shown, designated and delineated on the plat of said subdivision, found of record in Volume 2, Page 64, Plat Records, Gillespie County, Texas.

TRACT III:

BEING Lot 1AR in the Re-subdivision of Lot 1, Carabetta Subdivision, situated in Gillespie County, Texas, as said lot is shown on plat of said Re-subdivision found of record in Volume 2, Page 147, Plat Records, Gillespie County, Texas.

TRACT IV:

BEING a 1.004 acre tract of land, more or less, out of Block III, as said block and outlots are designated on the map or plat of Fredericksburg and Environs by the German Emigration Company; being comprised of that certain 1.0 acre Tract I and that certain 164 square foot Tract II (deed/called areas) described in a conveyance from John T. Bolton and wife, Carol Hicks Bolton, to Michael Igarta and wife, Crystal Igarta, found of record in a Warranty Deed with Vendor's Lien dated May 1st, 2005, recorded in Volume 599, Page 292 (field notes incorrectly state page 295), et seq., of the Official Public Records of Gillespie County, Texas. Said 1.004 acre tract of land, more or less, being more particularly described by metes and bounds on EXHIBIT "A" as follows:

EXHIBIT "A"

A DESCRIPTION OF A 1.004 ACRE TRACT OF LAND OUT OF BLOCK III AS SAID BLOCK AND OUTLOTS ARE DESIGNATED ON THE MAP OR PLAT OF FREDERICKSBURG AND ENVIRONS BY THE GERMAN EMIGRATION COMPANY; BEING COMPRISED OF THAT CERTAIN 1.0 ACRE TRACT I AND THAT CERTAIN 164 SQUARE FOOT TRACT II (DEED/CALLED AREAS) DESCRIBED IN A CONVEYANCE FROM JOHN T. BOLTON AND WIFE, CAROL HICKS BOLTON TO MICHAEL IGARTA AND WIFE, CRYSTAL IGARTA, FOUND OF RECORD IN A WARRANTY DEED WITH VENDOR'S LIEN DATED MAY 1ST 2005, RECORDED IN VOLUME 599, PAGE 295 ET SEQ. OF THE OFFICIAL PUBLIC RECORDS OF GILLESPIE COUNTY, TEXAS; SAID 1.004 ACRE TACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a 1/2 inch iron rod found on the southwest R.O.W. (Right-of-Way) line of U.S. Highway No. 87 at the north corner of the said 1.0 acre tract, being at the easterly northeast corner of Lot 2 in the Klier Subdivision, a plat of record In Volume 2, Page 64 of the Plat Records of said County, Texas, for the north corner hereof;

THENCE with the said southwest R.O.W. line of U. S. Highway No. 87, a distance of 209.06 feet along the arc of a curve to the left having a radius of 5794.58 feet and a chord bearing of S 38° 23' 42" E, a distance of 209.05 feet to a 1/2 inch iron rod found at the east corner of said Tract I, being at the north corner of Lot 1AR in the Carabetta Subdivision, a plat of record in said Volume 2 at Page 147 of the Plat Records, for the east corner hereof;

THENCE with the southeast line of said Tract I, S 39° 03' 43' W (BASE BEARING FOR DIRECTIONAL CONTROL FROM GPS OBSERVATION), a distance of 213.60 feet to a 1/2 inch iron rod found at the south corner of thereof, being at the easterly southeast corner of said Lot 2, for the south corner hereof;

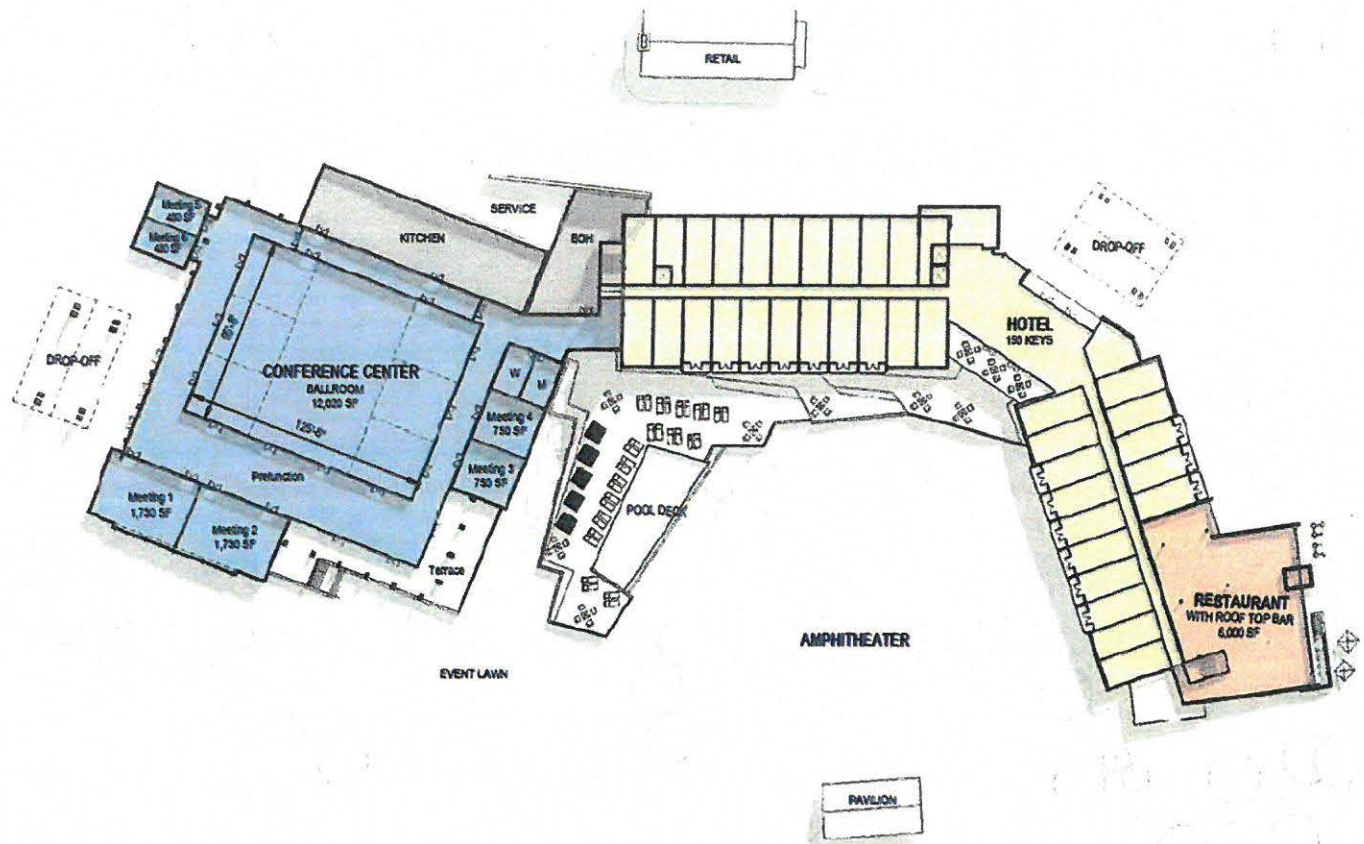
THENCE with the southwest line of said Tract I, and continuing with the southwest line of said Tract II, N 37° 57' 45' W, at a distance of 191.65 feet an 8 inch diameter fence post found at the southwesterly corner of said Tract I and south corner of said Tract II, continuing for a total distance of 2.13.67 feet to the west corner of said Tract II, a point of the bank of a creek, for the west corner hereof;

THENCE with the northwest line of said Tract II, and continuing with the northwest line of said Tract I, N 40° 11' 27' E, at a distance of 16.02 feet an 8 inch diameter fence post found at the north corner of said Tract II and northwesterly corner of said Tract I, continuing for a total distance of 211.06 feet to the **POINT OF BEGINNING**, containing 1.004 acres of land, more or less.

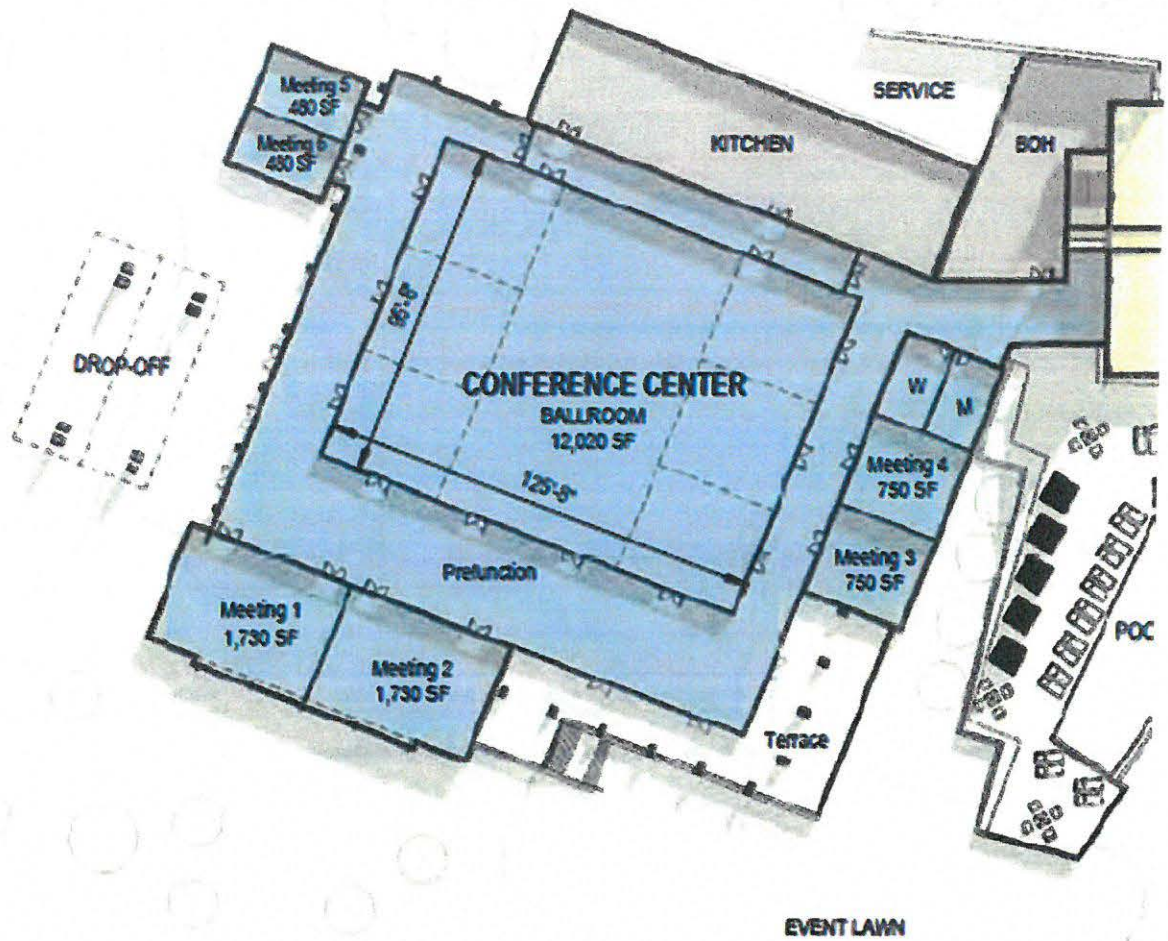
Site Plan - Seven Hills



Hotel Layout



Conference Center Layout



Hotel Rooms Eligible for Occupancy Tax Rebate

Seven Hills Resort and Conference Center

Rooms Tower: 150 Guestrooms

Sunday Houses: 11

Room numbers have not been assigned at the time of execution of this agreement.
Room numbers shall be assigned at the time of final inspection for Certificate of
Occupancy.

**A RESOLUTION OF THE CITY OF FREDERICKSBURG, TEXAS,
APPROVING AN AGREEMENT RELATED TO CONFERENCE
CENTER OPERATIONS AND CONFERENCE CENTER MARKETING,
AND AUTHORIZING EXECUTION OF SAID AGREEMENT**

WHEREAS, conventions, meetings, tourism and tourism related industries and the money spent by conventioners, meeting attendants, tourists, and visitors are essential components of a diverse local economy aiding in the creation of jobs for local residents, increased revenues for local businesses, and increased local tax revenue; and

WHEREAS, the City of Fredericksburg ("City") expects that the operation and marketing of a large conference center in the City will attract additional conventions, meetings, tourists, and other visitors to the City that are critical to the City's goals and promotional efforts relating to attracting tourists, visitors, meetings, and conventions to the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL of the City of Fredericksburg, Texas, that:

1. The City Council hereby approves the *Conference Center Operations and Conference Center Marketing Agreement*, a copy of which is attached hereto as Exhibit A; and

2. The City Council hereby authorizes Kent Myers, in his capacity as City Manager, to execute the *Conference Center Operations and Conference Center Marketing Agreement* on behalf of the City.

PASSED AND APPROVED this _____ day of February, 2018.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

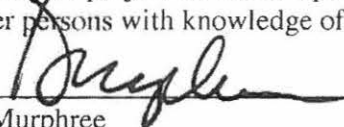
STATE OF TEXAS

COUNTY OF HARRIS

OWNER'S AFFIDAVIT

Before me, the undersigned notary, on this day personally appeared Dennis Murphree, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

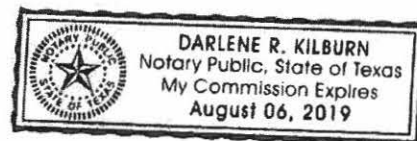
- "My name is Dennis Murphree. I am over eighteen years of age and I am competent to testify to the matters stated herein. I am the Managing Member of Baron's Creek II, LLP. I have been employed in this capacity since 2017. I have read and am familiar with the Conference Center Operations and Conference Center Marketing Agreement between Baron's Creek II, LLP and the City of Fredericksburg, Texas.
- I have personal knowledge regarding the facts of the Agreement and I verify that the Agreement contains an accurate account of the terms agreed to between Baron's Creek II, LLP and the City of Fredrick burg, Texas.
- I verify that the Baron's Creek II, LLP is the true and legal owner of the proposed Hotel and Conference Center project that is the subject matter of the Agreement. My knowledge of the ownership of the project is based upon my personal knowledge or information obtained from other persons with knowledge of this matter.


Dennis Murphree
Manager, Baron's Creek II, LLC

SUBSCRIBED AND SWORN TO ME, a Notary Public, on this 12 day of February, 2018.

Notary Public





Barons Creek II, LLC - Corporate Documents

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for BARONS CREEK II, LLC (file number 802712443), a Domestic Limited Liability Company (LLC), was filed in this office on May 02, 2017.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 07, 2018.



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State



Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

BARONS CREEK II, LLC
Filing Number: 802712443

Certificate of Formation
Certificate of Correction

May 02, 2017
May 03, 2017

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 07, 2018.



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State

Form 205
(Revised 05/11)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512 463-5709
Filing Fee: \$300



**Certificate of Formation
Limited Liability Company**

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas
MAY 02 2017
Corporations Section

Article 1 – Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

BARON'S CREEK II, LLC

The name must contain the words "limited liability company," "limited company," or an abbreviation of one of these phrases.

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

DENNIS	E.	MURPHREE	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>

C. The business address of the registered agent and the registered office address is:

1221 Lamar, Suite 1136	Houston	TX	77010
<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

Article 3—Governing Authority

(Select and complete either A or B and provide the name and address of each governing person.)

☒ A. The limited liability company will have managers. The name and address of each initial manager are set forth below.

☐ B. The limited liability company will not have managers. The company will be governed by its members, and the name and address of each initial member are set forth below.

GOVERNING PERSON 1

NAME (Enter the name of either an individual or an organization, but not both.)

IF INDIVIDUAL

DENNIS	E.	MURPHREE	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>

OR

IF ORGANIZATION

Organization Name

ADDRESS

1221 Lamar, Suite 1136	Houston	TX	USA	77010
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

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GOVERNING PERSON 2				
NAME (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
First Name	M.I.	Last Name	Suffix	
OR				
IF ORGANIZATION				
Organization Name				
ADDRESS				
Street or Mailing Address		City	State	Country Zip Code

GOVERNING PERSON 3				
NAME (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
First Name	M.I.	Last Name	Suffix	
OR				
IF ORGANIZATION				
Organization Name				
ADDRESS				
Street or Mailing Address		City	State	Country Zip Code

Article 4 – Purpose

The purpose for which the company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Texas Business Organizations Code.

Supplemental Provisions/Information

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

--

Organizer

The name and address of the organizer:

DONALD H. SNELL

Name

4925 Greenville Avenue, Suite 200

Street or Mailing Address

Dallas

City

TX 75206

State Zip Code

Effectiveness of Filing (Select either A, B, or C.)

A. ☒ This document becomes effective when the document is filed by the secretary of state.
B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. ☐ This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: May 2, 2017

Donald H. Snell

Signature of organizer

DONALD H. SNELL

Printed or typed name of organizer

Form 403
(Revised 05/11)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: \$15



Certificate of Correction

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas

MAY 03 2017
Corporations Section

Entity Information

1. The name of the filing entity is:

BARON'S CREEK II, LLC

State the name of the entity as currently shown in the records of the secretary of state. If the certificate of correction corrects the name of the entity, state the present name and not the name as it will be corrected.

The file number issued to the filing entity by the secretary of state is: 802712443

Filing Instrument to be Corrected

2. The filing instrument to be corrected is : Certificate of Formation - Limited Liability Company

The date the filing instrument was filed with the secretary of state: 05/02/2017

mm/dd/yyyy

Identification of Errors and Corrections

(Indicate the errors that have been made by checking the appropriate box or boxes; then provide the corrected text.)

☒ The entity name is inaccurate or erroneously stated. The corrected entity name is:

BARONS CREEK II, LLC

☐ The registered agent name is inaccurate or erroneously stated. The corrected registered agent name is:

Corrected Registered Agent
(Complete either A or B, but not both.)

A. The registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The registered agent is an individual resident of the state whose name is:

First

Middle

Last Name

Suffix

The person executing this certificate of correction affirms that the registered agent, whose name is being corrected by this certificate, consented to serve as registered agent at the time the filing instrument being corrected took effect.

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☐ The registered office address is inaccurate or erroneously stated. The corrected registered office address is:

Corrected Registered Office Address

Street Address (No P.O. Box) City State Zip Code TX

☐ The purpose of the entity is inaccurate or erroneously stated. The purpose is corrected to read as follows:

☐ The period of duration of the entity is inaccurate or erroneously stated. The period of duration is corrected to read as follows:

Identification of Other Errors and Corrections

(Indicate the other errors and corrections that have been made by checking and completing the appropriate box or boxes.)

☐ **Other errors and corrections.** The following inaccuracies and errors in the filing instrument are corrected as follows:

☐ **Add** Each of the following provisions was omitted and should be added to the filing instrument. The identification or reference of each added provision and the full text of the provision is set forth below.

☐ **Alter** The following identified provisions of the filing instrument contain inaccuracies or errors to be corrected. The full text of each corrected provision is set forth below:

☐ **Delete** Each of the provisions identified below was included in error and should be deleted.

☐ **Defective Execution** The filing instrument was defectively or erroneously signed, sealed, acknowledged or verified. Attached is a correctly signed, sealed, acknowledged or verified instrument.

Statement Regarding Correction

The filing instrument identified in this certificate was an inaccurate record of the event or transaction evidenced in the instrument, contained an inaccurate or erroneous statement, or was defectively or erroneously signed, sealed, acknowledged or verified. This certificate of correction is submitted for the purpose of correcting the filing instrument.

Correction to Merger, Conversion or Exchange

The filing instrument identified in this certificate of correction is a merger, conversion or other instrument involving multiple entities. The name and file number of each entity that was a party to the transaction is set forth below. (If the space provided is not sufficient, include information as an attachment to this form.)

Entity name

SOS file number

Entity name

SOS file number

Effectiveness of Filing

After the secretary of state files the certificate of correction, the filing instrument is considered to have been corrected on the date the filing instrument was originally filed except as to persons adversely affected. As to persons adversely affected by the correction, the filing instrument is considered to have been corrected on the date the certificate of correction is filed by the secretary of state.

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: May 3, 2017

By: _____



Signature of authorized person

DONALD H. SNELL

Printed or typed name of authorized person (see instructions)



Franchise Tax Account Status

As of : 02/07/2018 15:57:31

This Page is Not Sufficient for Filings with the Secretary of State

BARONS CREEK II, LLC

Texas Taxpayer Number 32063624988

Mailing Address 1221 LAMAR ST STE 1136 HOUSTON, TX
77010-3050

② Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 05/02/2017

Texas SOS File Number 0802712443

Registered Agent Name DENNIS E. MURPHREE

Registered Office Street Address 1221 LAMAR, SUITE 1136 HOUSTON, TX
77010

[illegible]