

**CITY OF FREDERICKSBURG
CITY COUNCIL MEETING**

MONDAY, JUNE 4, 2018 ~ 6:00 p.m.

Law Enforcement Center ~ 1601 East Main Street

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

Gary Neffendorf, Council Member
Tom Musselman, 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. **MINUTES** - Consider Approval of Minutes of March & April 2018 Meetings 1-14

3. **CONSENT AGENDA** - All items listed below are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered as part of the normal order of business

- A. Approve 2018-2022 Hazard Mitigation Plan 15-16

4. **INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION**

- A. Consider Request for Insurance from 4th of July Parade 17-18
B. Consider Amendment to Golf Course Agreement with Touchstone Golf 19-22
C. Consider Amendment to Economic Development Agreement - Ufer Street Hotel Project 23-54
D. Consider Changes to City Council Rules of Procedure 55-62

5. **ITEMS FOR FUTURE AGENDAS**

6. **CITY MANAGERS REPORT**

- A. Relocation of Municipal Court Offices
B. Community Visioning Process
C. City Council Retreat Action Items
D. Relief Route Open House

7. **PUBLIC COMMENT**

8. **COUNCIL COMMENT**

9. **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 Alpha Securities, LLC vs. City of Fredericksburg, Texas (Sec. 551.071)

B. Executive Session - Consider and discuss the purchase, exchange, lease, or value of real property located in the vicinity of Lady Bird Johnson Municipal Park (Sec. 551.072)

10. TAKE ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY
11. ADJOURN

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
MARCH 1, 2018
8:30 AM**

On this the 1st day of March, 2018, the City Council of the CITY OF FREDERICKSBURG convened in special session at the Fire Station Meeting Room, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
JERRY LUCKENBACH - COUNCIL MEMBER
BOBBY WATSON - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY – ACM/DPWU
DANIEL JONES – CITY ATTORNEY

WORKSHOP WITH COUNTY OF GILLESPIE – Council held a joint workshop with Gillespie County Commissioners Court to discuss the following:

- Proposed Sports Park
- Conceptual Plans for Inner Loop
- Plans for Use of city Owned Property on Friendship Lane

No action was taken.

With no further discussion, Council Member Watson made a motion to adjourn the meeting at 11:00 AM. Council Member Luckenbach seconded the motion. Motion carried.

PASSED AND APPROVED this the 4th day of June 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
MARCH 5, 2018
6:00 PM**

On this the 5th day of March, 2018, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
BOBBY WATSON - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER

CHARLIE KIEHNE - COUNCIL MEMBER
JERRY LUCKENBACH – COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - A.C.M./D.P.W.U.
BRIAN JORDAN – DIR DEVELOPMENT SERVICES
SHELLEY BRITTON - CITY SECRETARY
DANIEL JONES - CITY ATTORNEY
RUSSELL IMMEL - IT MANAGER

The meeting was called to order at 6:00 PM following the Pledge of Allegiance.

EMPLOYEE RECOGNITIONS - None.

MINUTES – It was moved by Council Member Watson, seconded by Council Member Neffendorf, to approve the minutes of the January 2018 minutes as presented. All voted in favor and the motion carried.

SEWER LINE MAINTENANCE AGREEMENT AND RESOLUTION FOR BOOT RANCH – It was moved by Council Member Luckenbach, seconded by Council Member Watson, to approve the Boot Ranch Sewer Line Maintenance Agreement and Resolution as presented. The vote was as follows: AYE: Langerhans, Watson, Kiehne, Neffendorf, and Luckenbach; NAY: None. Motion carried.

A RESOLUTION OF THE CITY OF FREDERICKSBURG, TEXAS,
APPROVING A SEWER LINE MAINTENANCE AGREEMENT
RELATED TO BOOT RANCH

WHEREAS, the City of Fredericksburg (“City”) desires to specify the allocation of responsibilities, related to installation and maintenance of lower pressure sanitary sewer pipelines and associated equipment and materials, located in the Boot Ranch development.

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

1. The city council hereby approves the *Sewer Line Maintenance Agreement*, a copy of which is attached hereto as Exhibit A; and
2. The city council hereby authorized Kent Myers, in his capacity as City Manager, to execute said *Sewer Line Maintenance Agreement* on behalf of the City.

PASSED AND APPROVED this 5th day of March, 2018.

/s/ Linda Langerhans, Mayor

ATTEST:
/s/ Shelley Britton, City Secretary

APPROVED AS TO FORM:
/s/ Daniel Jones, City Attorney

ORDINANCE FOR HISTORIC DISTRICT SIGNAGE – Council heard a presentation from Anna Hudson, Historic Preservation Officer, concerning the proposed ordinance for Historic District Signage. Following a lengthy discussion, and receiving comments from the public, it was moved by Council Member Kiehne, seconded by Council Member Watson, to table the item. The vote was as follows: AYE: Langerhans, Watson, Kiehne, and Luckenbach; NAY: Neffendorf. Motion carried.

CONTRACT FOR FRIENDSHIP LANE MILL/OVERLAY PROJECT – Garret Bonn, Asst City Engineer, presented the contract for Friendship Lane Mill/Overlay Project. It was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to award the construction contract to Lone Star Paving in the amount of \$211,812.98 including alternate A1 (10% Contingency). The vote was as follows: AYE: Langerhans, Watson, Kiehne, Neffendorf, and Luckenbach; NAY: None. Motion carried.

CITY FUNDING FOR RETAIL STRATEGY STUDY – Aaron Farmer, Vice-President of the Retail Coach Organization, made a presentation for a Retail Strategy Study, with the city partnering with the EDC and CVB. It was moved by Council Member Neffendorf, seconded by Council Member Watson, to approve city funding for a Retail Strategy Study in the amount not to exceed \$9,500 as presented. AYE: Langerhans, Neffendorf, Watson, and Luckenbach; NAY: Kiehne. Motion carried.

CITY MANAGERS REPORT - City Manager Kent Myers reported on (1) Short-Term Rental Briefings, (2) Community Visioning Process, (3) Community Foundation, and (4) Council Agenda.

FUTURE AGENDA ITEMS - Council discussed future agenda items.

PUBLIC COMMENTS - None

COUNCIL COMMENTS - None

EXECUTIVE SESSION - It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to recess the regular session and go into Executive Session at 7:35 PM. All voted in favor and the motion carried. At 8:30 PM, it was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to adjourn the Executive Session and reconvene the regular session. All voted in favor and the motion carried.

Following Executive Session, the following action was taken:

EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY OWNED BY THE CITY, LOCATED ON FRIENDSHIP LANE (SEC.551.072) – No action was taken.

PENICK R&C, LP vs CITY OF FREDERICKSBURG (SEC.551.071) - No action was taken.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 8:31 PM. Council Member Watson seconded the motion. Motion carried.

PASSED AND APPROVED this the 4th day of June, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
MARCH 19, 2018
6:00 PM**

On this the 19th day of March, 2018, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
GARY NEFFENDORF - COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER
BOBBY WATSON - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - ACM/D.P.W.U.
SHELLEY BRITTON – CITY SECRETARY
BRIAN JORDAN - DIR OF DEVELOPMENT SERVICES
DANIEL JONES - CITY ATTORNEY
RUSSELL IMMEL - IT MANAGER

The meeting was called to order at 6:00 PM., followed by the Pledge of Allegiance.

EMPLOYEE RECOGNITIONS – The City Manager recognized the Open House Committee, and the Recycling Center Employees.

CONSENT AGENDA - It was moved by Council Member Watson, seconded by Council Member Neffendorf, to approve the Consent Agenda as follows:

- Amendment to Zoning Ordinance Definitions, Sec. 2.100
- Interlocal Agreement with Fisd Regarding Fiber Optics

The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, and Watson; NAY: None. Motion carried.

PUBLIC HEARING Z-1801 FOR A CONDITIONAL USE PERMIT FOR ROBIN FLECK TO OPERATE MEDICAL OFFICE IN THE CENTRAL BUSINESS DISTRICT AT 409 E MAIN ST. - It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to recess the regular session and open the Public Hearing on Z-1801 for a Conditional Use Permit for Robin Fleck to operate a Medical Office in the Central Business District at 409 E Main St. All voted in favor and the motion carried.

Following comments from Representative Walter Moldenhauer, it was moved by Council Member Watson, seconded by Council Member Luckenbach, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST Z-1801 - Council Member Kiehne moved, seconded by Council Member Neffendorf, to approve ordinances for Z-1801 for a Conditional Use Permit at 409 E Main St to Operate a Medical in the CBD. The vote was as follows: AYE: Langerhans, Kiehne, Watson, Luckenbach, and Neffendorf; NAY: None. Motion carried.

RESOLUTION RELATED TO ATMOS MID TEX AND ATMOS PIPELINE TEXAS REQUEST TO PASS THROUGH TO RATEPAYERS A REDUCTION IN RATES RESULTING FROM THE REDUCTION IN THE CORPORATE FEDERAL INCOME TAX RATE FROM 35% TO 21% - It was moved by Council Member Luckenbach, to adopt the Resolution related to Atmos Mid Tex and Atmos Pipeline Texas Request to pass through to Ratepayers a Reduction in rates resulting from the reduction in the Corporate Federal Income Tax Rate from 35% to 21%; the vote was as follows: AYE: Langerhans, Kiehne, Watson, Luckenbach, and Neffendorf; NAY: None. Motion carried.

RESOLUTION

A RESOLUTION BY THE CITY OF FREDERICKSBURG, TEXAS ("CITY"), APPROVING A REDUCTION IN RATES CHARGED BY ATMOS ENERGY CORPORATION, MID-TEX DIVISION ("ATMOS") AND AUTHORIZING CONSENT TO A REDUCTION IN RATES CHARGED BY ATMOS PIPELINE TEXAS ("APT"), ALL RELATED TO THE REDUCTION IN THE FEDERAL CORPORATE TAX RATE; FINDING THE REDUCTION IN ATMOS' RATES TO BE JUST AND REASONABLE; FINDING THAT THE MEETING COMPLIED WITH THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THE RESOLUTION TO THE COMPANY AND SPECIAL COUNSEL.

WHEREAS, the City of Fredericksburg, Texas ("City") is a regulatory authority under

the Gas Utility Regulatory Act “GURA”) and under § 103.001 of GURA has exclusive original jurisdiction over Atmos Energy Corporation – Mid-Tex Division (“Atmos”) rates, operations, and service of a gas utility within the municipality; and

WHEREAS, the City has participated in prior cases regarding Atmos as part of a coalition of cities known as the Atmos Texas Municipalities (“ATM”); and

WHEREAS, pursuant to the Rate Review Mechanism (“RRM”) for 2017 filed with the City on or around March 1, 2017, the City approved an increase in annual revenue of about \$48 million; and

WHEREAS, the City, as part of ATM participated in APT’s general rate case at the Railroad Commission of Texas in Gas Utility Docket No. 10580 (“GUD No. 10580”); and

WHEREAS, the corporate tax rate on federal income included in Atmos’ current rates and made part of the \$48 million increase in revenue approved via the RRM, was based on a federal-income-tax rate of 35%; and

WHEREAS, the corporate tax rate on federal income included in APT’s current rates and approved by the Railroad Commission of Texas in GUD No. 10580, was based on a federal-income-tax rate of 35%; and

WHEREAS, effective January 1, 2018, the corporate tax rate on income is 21%; and

WHEREAS, Atmos seeks administrative approval under Utilities Code § 104.111 to reduce its annual revenue by approximately \$29 million; and

WHEREAS, APT seeks the City’s consent to a decrease in rates for APT’s rates to be approved by the Railroad Commission of Texas, which decrease would reduce APT’s annual revenue by about \$29 million; and

WHEREAS, ATM's Special Counsel and consultants engaged to review Atmos' and APT's calculation of the effect of the reduction in the corporate federal-income-tax rate from 35% to 21% has on Atmos' and APT's rates, have confirmed Atmos' and APT's calculation of the reduction in Atmos' and APT's revenue is mathematically accurate; and

WHEREAS, the reduction in Atmos' annual revenue is limited to the tax expense related to the change in the corporate tax rate from 35% to 21% relative to the revenue requirement established in Atmos' RRM in 2017, and to the revenue requirement established in in GUD No. 10580 for APT, and thus will need to be adjusted further in a future proceeding to account for excess deferred income taxes resulting from the Tax Cut and Jobs Act of 2017; and

WHEREAS, by approving the reduction in Atmos' rates, and consenting to the reduction in APT's rates, the City, in future proceedings or in other jurisdictions, is under no obligation to take the same positions with regard to the methodology resulting in a reduction in rates, as the methodology underlying the reduction proposed by Atmos or APT, nor shall the City's approval of the reduction in Atmos' rates or its consent to the reduction in APT's rates, be used against City in any future proceeding with respect to different positions the City may take with regard to setting Atmos' or APT's rates.

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

Section 1. The findings set forth in this Resolution are hereby in all things approved and incorporated herein.

Section 2. Atmos shall submit to the City within fourteen days from the effective date of this Resolution, amended tariffs reflecting the reduction in revenue noted above.

Section 3. The City's Special Counsel, Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, is hereby authorized to consent on behalf of the City as part of ATM in proceedings before the Railroad Commission of Texas, to the reduction in APT's revenue noted above.

Section 4. To the extent any Resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby superseded.

Section 5. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. If any one or more sections or clauses of this Resolution is judged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 7. This Resolution shall become effective from and after its passage.

Section 8. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Christopher Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1600, Dallas, Texas 75240 and to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 816 Congress Avenue, Suite 950, Austin, Texas 78701.

PASSED AND APPROVED this 18th day of March, 2018.

/s/ Linda Langerhans, Mayor

ATTEST:

/s/ Shelley Britton, City Secretary

RIGHT-OF-WAY AGREEMENT – SUNRISE STREET – It was moved by Council Member Luckenbach, seconded by Council Member Watson, to approve the Right-Of-Way Easement on Sunrise Street as presented. The vote was as follows: AYE: Langerhans, Kiehne, Watson, Luckenbach, and Neffendorf; NAY: None. Motion carried.

PROFESSIONAL SERVICES AGREEMENT FOR FT. MARTIN SCOTT MASTER PLAN It was moved by Council Member Neffendorf, seconded by Council Member Watson, to approve the Professional Services Agreement for Ft. Martin Scott Master Plan in the amount of \$25,000. The vote was as follows: AYE: Langerhans, Kiehne, Watson, Luckenbach, and Neffendorf; NAY: None. Motion carried.

TEMPORARY SOCCER FIELDS ON FUTURE SPORTS PARK PROPERTY – Council Member Luckenbach, seconded by Council Member Neffendorf, to approve Temporary Soccer Fields on future Sports Park Property. All voted in favor and the motion carried. Further, Council thanked Allen Keller Company for their offer to donate labor and equipment to flat roll the proposed ten acres.

RATE MODEL AND WATER AND WASTEWATER IMPACT FEE UPDATE – Clinton Bailey presented the Rate Model and Water and Wastewater Impact Fee Update. Following the presentation, it was moved by Council Member Watson, seconded by Council Member Luckenbach, to approve the contract with HDR for \$44,454.00 to assist the city in updating the previously developed rate model. The vote was as follows: AYE: Langerhans, Kiehne, Watson, Luckenbach, and Neffendorf; NAY: None. Motion carried.

CITY MANAGER'S REPORT - City Manager Kent Myers reported on (1) Short-Term Rentals, (2) Attainable Housing, and (3) Hotel/Conference Center Project.

FUTURE AGENDA ITEMS - Council discussed future agenda items.

PUBLIC COMMENTS – Russ Rose commented on the golf course.

COUNCIL COMMENTS - Bobby Watson commented on the two Visioning meetings he attended; Jerry Luckenbach reported on the Airport Board.

EXECUTIVE SESSION - It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to recess the regular session and go into Executive Session at 8:45 PM. All voted in favor and the motion carried. At 9:08 PM, it was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to adjourn the Executive Session and reconvene the regular session. All voted in favor and the motion carried.

Following Executive Session, the following action was taken:

EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY OWNED BY THE CITY, LOCATED ON E. AUSTIN ST. (551.072) – No action taken.

PURCHASE, EXCHANGE, OR VALUE OR REAL PROPERTY LOCATED NEAR SUNRISE STREET (SEC. 551.072) – No action taken.

With no further discussion, Council Member Neffendorf made a motion to adjourn the meeting at 9:08 PM. Council Member Luckenbach seconded the motion. Motion carried.

PASSED AND APPROVED this the 4th day of June, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
APRIL 2, 2018
6:00 PM**

On this the 2nd day of April, 2018, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
BOBBY WATSON - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - A.C.M./D.P.W.U.
BRIAN JORDAN - DIR DEVELOPMENT SERVICES
SHELLEY BRITTON - CITY SECRETARY
DANIEL JONES - CITY ATTORNEY
RUSSELL IMMEL - IT MANAGER

The meeting was called to order at 6:00 PM following the Pledge of Allegiance.

EMPLOYEE RECOGNITIONS - City Manager Kent Myers recognized Lea Feuge, and Jennifer Krupa.

CONSTRUCTION CONTRACT FOR THE SAN ANTONIO STREET SANITARY SEWER REHABILITATION PROJECT - Kris Kneese was on hand to present the Construction Contract for the San Antonio Street Sanitary Rehabilitation Project. It was moved by Council Member Watson, seconded by Council Member Luckenbach, to award Phase 1 of Construction Contract for the San Antonio Street Sanitary Sewer Rehabilitation Project to Vaught Services LLC in the amount not to exceed \$999,976.53. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Watson, and Luckenbach; NAY: None. Motion carried.

ANNUAL FINANCIAL REPORT - Pat Klein of Klein, Kraus and Company LLC, who performed the audit of the City's Annual Financial Statements for the fiscal year ended September 30, 2017, presented the City Financials and expressed the opinion that the City had an "unqualified" clean audit.

ANNEXATION OF THE HIGHWAY 290 E AREA - Council received an update from staff on the options to proceed with the annexation and determine the final area to be considered for annexation. No action.

ATTAINABLE HOUSING PROJECT ON SMOKEHOUSE ROAD - Mimi Bartel, Nicole Bartel, and Kenneth Treibs presented plans to develop a residential subdivision on 11.7 acres on Smokehouse Road, known as The Beginning Subdivision. The subdivision would include 52 lots that would be for attainable housing, with the city requested to partner in the development by

extending utilities to the site, waiver impact fees to lot buyers. Council agreed to look at the contract in the future.

FUTURE AGENDA ITEMS - Council discussed future agenda items.

PUBLIC COMMENTS – Russ Rose commented on modular homes; Ron Merby commented favorably on Touchstone Golf; Mickey Poole spoke about affordable housing; Pat O'Neill asked about construction schedules for proposed annexation.

COUNCIL COMMENTS – Charlie Kiehne commented on the Easter Egg Hunt; Bobby Watson reported on the Relief Route Task Force, and the CVB Board meeting.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 8:05 PM. Council Member Watson seconded the motion. Motion carried.

PASSED AND APPROVED this the th day of June, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
APRIL 16, 2018
6:00 PM**

On this the 16th day of April, 2018, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
JERRY LUCKENBACH - COUNCIL MEMBER
BOBBY WATSON - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER

ABSENT: GARY NEFFENDORF - COUNCIL MEMBER

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - ACM/D.P.W.U.
SHELLEY BRITTON – CITY SECRETARY
BRIAN JORDAN - DIR OF DEVELOPMENT SERVICES
DANIEL JONES - CITY ATTORNEY
RUSSELL IMMEL - IT MANAGER

The meeting was called to order at 6:00 PM., followed by the Pledge of Allegiance.

EMPLOYEE RECOGNITIONS – City Manager Kent Myers recognized Garrett Bonn, the Sanitation Department, and the Street Department Mechanics.

MINUTES – It was moved by Council Member Watson, seconded by Council Member Luckenbach, to approve the minutes of the February 2018 meetings as presented. All voted in favor and the motion carried.

ORDINANCE AMENDING GOLF FEE SCHEDULE – It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the Ordinance Amending the Golf Fee Schedule, and to waive the second reading. All voted in favor and the motion carried.

ORDINANCE NO. 28-004

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING SECTION 24.100 OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO UPDATE AND AMEND THE FEES FOR USE OF LADY BIRD JOHNSON MUNICIPAL GOLF COURSE. (Recorded in Ordinance Book)

CONTRACT FOR FRIENDSHIP LANE PHASE 2 MILL/OVERLAY PROJECT – Garret Bonn, Asst City Engineer, presented the contract for Friendship Lane Phase 2 Mill/Overlay Project. It was moved by Council Member Luckenbach, seconded by Council Member Watson, to award the construction contract to Lone Star Paving in the amount of \$109,269.33 including alternate A1 (10% Contingency). The vote was as follows: AYE: Langerhans, Watson, Kiehne, Neffendorf, and Luckenbach; NAY: None. Motion carried.

STREET CLOSURE REQUESTS FOR (1) OKTOBERFEST AND (2) KRAUT RUN – It was moved by Council Member Luckenbach, seconded by Council Member Watson, to approve the request for street closures for Oktoberfest as follows:

- 1) Adams St between Main and Austin beginning Wed Oct 3 at 5:00 PM through Mon Oct at 3:00 PM
- 2) Austin St between Crockett and Adams beginning Thurs Oct 4 noon until Mon Oct 8 at 6:00 PM

All voted in favor and the motion carried.

It was then moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the request for a street closure for the Kraut Run as follows:

- 1) W. Travis T from N Crockett to N Adams from 6:30AM to 12:00 PM, Sat Oct 6, 2018.
- All voted in favor and the motion carried.

COMPREHENSIVE 2018 COMMUNICATION PLAN – It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the 2018 Communication Plan as presented by Lea Feuge. The vote was as follows: AYE: Langerhans, Watson, Kiehne, Neffendorf, and Luckenbach; NAY: None. Motion carried.

MAY MEETING DATES – Council agreed to hold meetings on the regular meetings dates, May 7 and May 21, and to canvass election results May 5 at 10:00am.

CITY MANAGER'S REPORT - City Manager Kent Myers reported on (1) Golf Course Update, (2) Community Visioning Process, (3) Sports Park Soccer Fields, and (4) Hotel/Conference Center.
FUTURE AGENDA ITEMS - Council discussed future agenda items.

PUBLIC COMMENTS – Cindy Mayple commented on Habitat for Humanity and Jerry McCorkle commented on a protest at FHS.

COUNCIL COMMENTS – Jerry Luckenbach rebutted issues discussed and the Tea Party candidate forum.

EXECUTIVE SESSION - It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to recess the regular session and go into Executive Session at 7:30 PM. All voted in favor and the motion carried. At 7:50 PM, it was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to adjourn the Executive Session and reconvene the regular session. All voted in favor and the motion carried.

Following Executive Session, the following action was taken:

FUTURE POWER PURCHASES AS A COMPETITIVE MATTER RELATED TO THE CITY'S PUBLIC POWER UTILITY (SEC. 551.086) – No action taken.

With no further discussion, Council Member Watson made a motion to adjourn the meeting at 7:51 PM. Council Member Luckenbach seconded the motion. Motion carried.

PASSED AND APPROVED this the th day of June, 201.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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CITY COUNCIL MEMO

DATE: May 30, 2018

TO: City Council

FROM: Lynn Bizzell, Fire Chief

SUBJECT: Request approval of 2018 – 2022 Hazard Mitigation Plan

Summary:

In order to be eligible to apply for hazard mitigation grants, jurisdictions must have an approved Hazard Mitigation Plan. These plans are submitted to and approved by FEMA. Once approved by FEMA, each plan must be ratified and adopted by the jurisdictions covered by the plan, and proof of this must be submitted to FEMA. The proposed Hazard Mitigation was developed by a committee made up of City of Fredericksburg Staff, Gillespie County Staff, private citizens and other governmental agencies such as TxDOT, the National Weather Service and several Gillespie County Fire Departments. It is important to note that while the plan identifies hazard mitigation actions that address natural hazards in Fredericksburg, adoption of this plan does not require that any or all of the actions be completed.

Recommendation:

Recommend Council consider approving the proposed Hazard Mitigation Plan. This plan will take effect on the date of approval and be in effect for a five year period from 2018 – 2022.

Background / Analysis:

The previous Hazard Mitigation Plan expired in July of 2017. This plan was a regional plan developed the Alamo Area Council of Government. Beginning in 2013, regional plans such as this were no longer acceptable. New plans were required upon the expiration of the regional plans. Under the current rules, no more than 2 counties could be covered by the same plan. Most jurisdictions hired outside consultants

to develop their new plans. The proposed Hazard Mitigation Plan was developed in house and written to the specific needs and requirements of this community by people who live in this community.

In developing the plan, fourteen natural hazards were considered and evaluated for the risk they pose in Fredericksburg. These 14 hazards were required to be evaluated by the Texas Division of Emergency Management. Hazards were ranked according to several criteria including number of deaths, economic costs, frequency of occurrence and other factors.

Once the hazards were ranked , mitigation actions were discussed and included in the plan according to their effectiveness, costs, and political feasibility. None of these actions are legally required to be completed by local officials if this plan is adopted.

Three public meetings were held seeking public input. These meetings were essential as FEMA considers them a mandatory part of the process.

Attachments:

None


Department Approval


City Manager Approval



CITY COUNCIL MEMO

DATE: May 30, 2018

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Insurance for 4th of July Parade

Summary:

This item is a request from the organizers of the 4th of July Parade to add their parade to our liability insurance policy so that the volunteers involved in this parade will be covered for any liability claims.

Recommendation:

It is recommended that this request be approved.

Background / Analysis:

This request has been approved the past several years at a total cost to the City of about \$200.

Attachments:


Department Approval


City Manager Approval

(17)

The City of Fredericksburg

Kent Myers

From: Daryl Whitworth <daryl.whitworth@gmail.com>
Sent: Friday, May 18, 2018 9:21 AM
To: Kent Myers
Subject: Parade insurance

Good morning Kent

Can you please add my request to an upcoming Council Agenda for consideration? I truly appreciate that you have done this in the past.

Thanks and let me know what date it is so I may attend and make the request.

Daryl Whitworth
Sent from my iPhone on the go



CITY COUNCIL MEMO

DATE: June 4, 2018

TO: Mayor and City Council

FROM: Clinton Bailey, P.E., Assistant City Manager/Director of Public Works and Utilities

SUBJECT: Amendment to Golf Course Lease Agreement with Touchstone Golf

Summary:

This item is for the amendment of the City's lease agreement with Touchstone Golf. Proposed amendments include:

1. Exclusion of any gross profit from alcohol sales from the calculation of the incentive fee paid to Touchstone Golf
2. Correction to agreement language regarding payment of monthly Administrative Fee to Touchstone Golf.

Recommendation:

Staff recommends approval of the proposed amended lease agreement.

Background / Analysis:

Touchstone Golf is currently preparing to file their application for a mixed beverage permit with the Texas Alcoholic Beverage Commission (TABC). Prior to filing their application, Touchstone's liquor license attorney has recommended that the lease agreement between the City and Touchstone Golf be amended such that gross profit from alcohol sales is excluded from the calculation of the incentive fee paid to Touchstone on an annual basis. The revised language related to this proposed change is

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The City of Fredericksburg

highlighted in red on the attached amendment. A revised "Sample Incentive Fee and Lease Payment Calculations" exhibit is also included in the attached amendment. This exhibit illustrates how the gross profit from alcohol sales will be excluded from the adjusted net operating income which is the basis for determining the incentive fee paid to Touchstone Golf. The attached Exhibit B will replace Exhibit B in the original lease agreement.

The second proposed amendment to the lease agreement is a correction to language regarding payment of a monthly Administrative Fee to Touchstone Golf. It was the City's understanding that under its current lease agreement with Touchstone Golf, upon the Golf Course facility generating positive cash flow for a full calendar year in an amount equal or greater than \$100,000, Touchstone and the City would receive a percentage of the cash flow and the "Incentive Fee" would no longer be paid but the City would continue paying the monthly "Administrative Fee" of \$5,000 to Touchstone Golf. This proposed change is illustrated by a strike-through of language on the attached agreement.

Attachments:

Proposed amended language to the City's lease agreement with Touchstone Golf


Department Approval


City Manager Approval


City Attorney Approval

pursuant to Exhibit "B" (Sample Incentive Fee Calculation). The incentive fee for each Incentive Fee Period shall equal twenty percent (20%) of the improvement in NOI, excluding any alcohol sales related gross profit, over the NOI for the preceding Incentive Fee Period (excluding any alcohol sales related gross profit). As used herein, "Incentive Fee Period" shall mean October 1 to September 30. For purposes of the Incentive Fee Period ending September 30, 2018, the calculation of the Incentive Fee shall be for the improvement in NOI for the period of January 1, 2018 through September 30, 2018 compared to the NOI result for the period of January 1, 2017 through September 30, 2017.

5. Lease Payment to LANDLORD: It is the intent of the parties to transition from the payment of the Administrative Fee and the Incentive Fee to a lease payment to LANDLORD to be based on a division of positive Golf Course Facility Cash Flow as set forth below. Upon the Golf Course Facility generating positive Cash Flow (as such term is defined below) for a full calendar year in an amount of equal to or great than \$100,000, LANDLORD shall receive 70% of such Cash Flow ("LANDLORD's Lease Payment") and TOUCHSTONE shall receive the lesser of (i) \$60,000 and (ii) 30% of such Cash Flow ("TOUCHSTONE's Lease Payment"). Provided, however that TOUCHSTONE's lease payment will be reduced by any share of any alcohol sales related gross profit In any period for which TOUCHSTONE is paid TOUCHSTONE'S Lease Payment, TOUCHSTONE's Incentive Fee for such Incentive Fee Period shall not apply.

In any year after positive Cash Flow of \$100,000 or more was achieved in which Cash Flow is less than \$100,000, for the following period TOUCHSTONE would earn its Administrative Fee and Incentive Fee, if any. Touchstone's Lease Payment for the prior year shall be excluded for the purposes of calculating the Incentive Fee for the current year. In no event shall Touchstone earn less than its Administrative Fee, plus any Incentive Fee.

Payment of TOUCHSTONE'S Incentive Fees and all Lease Payments shall occur within sixty (60) days of each calendar year-end after all financial statements for such period are finalized and approved. LANDLORD shall be responsible for maintaining adequate working capital in the Golf Course Facility operating account to fund TOUCHSTONE'S Incentive Fee, LANDLORD's Lease Payment and TOUCHSTONE's Lease Payment.

"Cash Flow" shall mean all revenue, less operating expenses, interest expense, and capital lease payments. Operating expenses shall exclude any Incentive Fee that is earned but not payable because Touchstone is entitled to Touchstone Lease Payment for such year. Capital injections by LANDLORD for the period, if any, shall be excluded from the calculation of Cash Flow. Capital expenditures by LANDLORD shall also be excluded from the calculation of Cash Flow.

6. Facility Description: 18-hole golf course, clubhouse, and practice facilities located at 341 Golfers Loop, Fredericksburg, Texas 78624.

7. Delivery Date for initial operating budget, business plan and five (5) year facility improvement plan: February 15, 2018.

8. Delivery Date for subsequent annual operating budgets, business plans and facility improvement plans (as applicable): On or before August 1st of each year.

EXHIBIT "B"

SAMPLE INCENTIVE FEE AND LEASE PAYMENT CALCULATIONS

Incentive Fee

Current Year Net Operating Income	(250,000)	
Less: Gross Profit - Alcohol Sales	<u>45,000</u>	
Adjusted Current Year Net Operating Income		(295,000)
Prior Year Net Operating Income	(500,000)	
Less: Gross Profit - Alcohol Sales	<u>5,000</u>	
Adjusted Prior Year Net Operating Income		<u>(505,000)</u>
Improvement		210,000
Incentive Percentage		<u>20%</u>
Incentive Fee to Touchstone Golf		42,000

Net Operating Income = Earnings before the deduction of interest expense, taxes, depreciation and amortization. The calculation equates to revenue minus operating expenses. Operating expenses include, but are not limited to, property taxes, operating leases and administrative fees, but excluding any prior year or current year incentive fees for purposes of an accurate comparison of improvement. Any capital injections by the LANDLORD shall not be included as revenue.

Lease Payments

Annual Cash flow for the Year Ending 20____	125,000
---	---------

Annual Cash Flow - Lease Payments

Landlord's Lease Payment %	70%
Landlord's Lease Payment \$	87,500
Touchstone's Lease Payment %	30%
(A) Touchstone's Lease Payment \$	37,500
Gross Profit From Alcohol Sales	45,000
Touchstone Lease Payment %	30%
(B) Touchstone Lease Payment \$ from Alcohol Gross Profit	13,500
Adjusted Lease Payment to Touchstone Golf (A-B)	24,000



CITY COUNCIL MEMO

DATE: May 30, 2018

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Amendment to Economic Development Agreement-Ufer Street Hotel Project

Summary:

Several changes are needed to the economic development agreement previously approved by the City Council for the proposed hotel on Ufer Street.

Recommendation:

It is recommended that the attached amendment to the economic development agreement be approved.

Background / Analysis:

The City previously approved an economic development agreement for the Ufer Street hotel project which is attached to this staff report. This agreement dedicated 1.301 acres of City-owned land located in the floodplain to the hotel owners as long as they met certain conditions. This included their construction of 10-foot walking path along the Creek. This path has recently been constructed and is open to the public. The developer is also obligated to contribute \$100,000 for the future development of a pedestrian bridge across Town Creek if this bridge is constructed in the next five years.

Since this agreement was approved, the construction schedule for the hotel has been delayed. The attached letter from the developer outlines the new construction schedule. In addition, the size of the

hotel has decreased from 120 rooms to 84 rooms. This reduction will enable them to meet our height and parking requirements and retain most of the trees on the site.

The attached amendment to the economic development agreement includes the revised construction schedule and references the fact that the hotel will be 84 rooms instead of the 120-room hotel previously approved.

Attachments:

Approved Economic Development Agreement

Letter from Hotel Owners Requesting Amendment to Previous Agreement

Proposed Amendment to Economic Development Agreement


Department Approval


City Manager Approval

The City of Fredericksburg

Approved by Council December 19th, 2016

**CITY OF FREDERICKSBURG AND
HAMUK, LLC.**

**CHAPTER 380
ECONOMIC DEVELOPMENT AGREEMENT**

This Chapter 380 Economic Development Agreement ("Agreement") is made and entered into by and between HAMUK, LLC ("HAMUK"), organized under the laws of the State of Texas, and the City of Fredericksburg, Texas, a home rule city and municipal corporation ("City"), and is effective this the 19th day of December 2016.

The City is authorized by Chapter 380 of the Texas Local Government Code to make grants of public resources to promote state and local economic development and to stimulate business and commercial activity in Fredericksburg.

The City, acting by and through City Council of the City of Fredericksburg, has authorized the City Manager to make a grant of the public resources hereinafter described, to HAMUK, to (i) locate its approximate 120 room high end resort hotel, with pool area, creek improvement area, related administrative offices and parking areas in Fredericksburg and make capital investments in the real Property hereinafter described, all with the intent to provide an addition to the offerings of visitor accommodations to the City and attract visitors and their related expenditures and together, these are referred to as the "Project".

Location of the Project in Fredericksburg will further state and local economic development and stimulate business and commercial activity in Fredericksburg, and will serve and further the public purposes for which the City exercises its economic development authority.

HAMUK accepts the City's grant and agrees to carry out the Project, the terms of which are the subject of this agreement.

The parties therefore agree as follows:

1. HAMUK's OBLIGATIONS

1.01 HAMUK will locate and construct its Project on those tracts containing 3.174 acres of land being seven tracts or parcels of land located in the City of Fredericksburg at the corner of Ufer Street and Llano Street hereinafter known as the "Property," being more particularly described on Exhibits "A-1" through "A-8" attached hereto and made a part hereof excluding the Llano Street right of way as shown on the preliminary "Fredericksburg Hotel" plat attached hereto. Such Project shall be constructed in accordance with the Master Plan, site plan and Conditional Use Permit which must be approved by the parties hereto and the relevant public boards, prior to the commencement of construction or as such Master Plan may be amended with approval of the parties. It is specifically understood that the City, by execution of this agreement

cannot guarantee approval of any aspect of the development which must be approved by its boards and commissions.

1.02 Construction and maintenance of Project.

A. HAMUK shall construct the following improvements upon the Property (the Project) in the time periods as follows:

Fall/ winter of 2016- planning, engineering, hydrology study, city review and permitting to be complete

Spring 2017- removal of existing structures and clean-up of site including Barons Creek area

Summer/Fall 2017- excavation and site preparation to be complete

Winter 2017- summer 2018 construction of foundation, infrastructure, basement for main building and walk path open to the public at all times along Barons Creek on the easement to be retained by the City

Winter 2018-completion of main hotel building

Summer 2019 completion of hotel's public areas and grounds and opening of Project for business.

B. The public walking path and public grounds associated therewith are to be completed by September 30, 2018. In the event the bridge over Town Creek (described in F. below) is completed subsequent to September 30, 2018, HAMUK will complete the required connection of the public walking path (described in C. below) to the bridge, at its expense, within three months from the completion of the bridge.

C The walking path easement retained by the City will be a minimum of twenty (20') feet in width, with a concrete multi use pedestrian walking path constructed by HAMUK a minimum of ten (10') feet in width and which will be constructed with footings for flood resistance, lighting which complies with the then current shielding and other requirements for commercial areas, the location, design and construction of which are to be in accordance with City standards and approved by the City's Director of Public Works and Utilities. The path shall be constructed to allow passage for disabled persons as to width, grade and similar requirements, and an accessible access to the path will be provided from the end of the Llano Street right of way to the path (substantially as shown as "path to creek" on the exhibit attached hereto or other point as determined by HAMUK).

D. HAMUK will be responsible for all flood study costs associated with revisions to the area located within the 100 year floodplain (CLOMR-F, LOMR-F).

E. HAMUK will maintain the landscaping and grounds adjacent to the walking path and any related facilities it owns. The City will maintain the paving and the path itself. The path is intended for use in conjunction with the Project as well as for public access.

F. HAMUK agrees to contribute the sum of One Hundred Thousand (\$100,000.00) and NO/100 Dollars toward the construction of a pedestrian bridge connecting the Llano Street right of way with Creek Street bridge if the City commences construction of the same within, five (5) years from the date of issuance of the certificate of occupancy for

the Project. The design of the bridge shall be at the ultimate discretion of the City, provided that the City will exercise good faith in permitting HAMUK to have an advisory role in the scope and design of the bridge. The funds be placed in escrow with the City at such date as certificate of occupancy for the Project is issued and will be refunded to HAMUK if the City does not commence construction of such pedestrian bridge before the expiration of five (5) years from the date of issuance of the certificate of occupancy for the Project.

G. With regard to entrances to the Project, HAMUK will perform a traffic study to aid in the configuration of its entrance and exit on Ufer Street and Llano Street, provided that the City staff will not recommend two entrances and/or exits from both Llano Street right of way and Ufer, and it will recommend a pedestrian access on or through the Llano Street right of way subject to closure in the future if the City otherwise uses or develops said right of way. It is understood that the current Llano Street right of way is not paved or developed as a public street and improvements thereto to accommodate HAMUK's development will be at HAMUK's expense. The City reserves the right to further develop or re-develop the Llano Street right of way as it determines. It is understood that the Project will be subject to the City's usual site plan and conditional use processes.

H. **UNDERGROUND ELECTRIC:** City understands that HAMUK will provide underground (their secondary) electric on the Project property at its cost. The City has an overhead primary line that crosses the creek to serve the Project Property, which HAMUK also prefers to be placed underground. This line is an important primary line where 3 circuits come together that would be more difficult to repair. If underground, repair and maintenance would require different equipment and materials inventory to be kept on hand and may create system vulnerability if placed underground, so the City has not agreed that this line may be placed underground. HAMUK and City agree to further discussions concerning this line without either party committing to a course of action at this time. In lieu of underground placement, the City would, however, be willing to relocate the overhead line from the north side of Ufer to the south side -HEB side- to improve the aesthetics of the site. Additionally, the City is willing to remove unnecessary electric service poles or relocate them to lessen the negative aesthetic impact on the Project, and would consider the replacement of existing poles with others that may be less obtrusive or will better compliment the Project. Such changes would be at HAMUK's expense.

1.03 Compliance with this Agreement. If HAMUK fails to comply with the preceding sections 1.01 and 1.02 the City, at the City's option, may terminate this agreement.

1.04 Economic Impact : The projected economic impact for the City and surrounding area is attached hereto as Exhibit "B."

HAMUK shall make best efforts to employ residents of the Fredericksburg Area for its new full-time jobs.

1.05 Local Business Participation/ Equal Employment Opportunities. In an effort to further stimulate and positively impact the local economy, HAMUK shall use its best

efforts to provide local businesses, on a non-discriminatory basis an equal opportunity to participate as suppliers for materials and services purchased by HAMUK.

1.06 Compliance with City Regulations. For the construction of improvements to the Property, or the construction or remodeling of any future facilities in the City's planning jurisdiction during the term of this Agreement, HAMUK will comply with all City Code regulations, including water quality regulations in effect at the time any site plan application is filed, unless HAMUK has negotiated an agreement with the City to comply with overall impervious cover limits and provide the currently required water detention controls. This means HAMUK will not assert possible Chapter 245 rights to avoid compliance with City regulations.

1.07 Status report. HAMUK shall deliver a status report to the City before September 30 of each year, beginning one year from the date hereof until completion of the Project.

1.08 Failure to Meet Obligations.

A. As assurance for the performance of its obligations under the performance terms above up to and including the construction of the public walking path, HAMUK will place the sum of \$30,000.00 in to escrow with the City to be withdrawn by the City for its general use without obligation to construct a walking path in the event the path is not completed to the agreed standards by September 30, 2018. The City will require a maintenance agreement or bond in accordance with its usual policies on acceptance of public improvements.

B. In the event a default occurs during the maintenance period, and after receipt of notice and expiration of the cure period described below, the twenty (20') foot area retained by the City as an easement for the walking/biking path down to the center of Barons Creek will revert to the City in fee.

2. City Obligations

2.01 Economic Development Incentive.

A. As consideration for HAMUK's performance of its obligations under this Agreement, City, any time after the date of this agreement and following receipt of a legal description provided to the City by HAMUK of the 20' walking path area, and receipt of the sum set forth in section 1.08 above, will quit claim to HAMUK any interest it may have in and to those certain tracts containing .117, 195, .371 and .618 acres, respectively which are described on Exhibit "D" attached hereto and made a part hereof along Barons Creek, reserving a public access easement for walking/biking trails along a twenty (20') foot path, to include maintenance and replacement of electric facilities, for tables and other public amenities as may be agreed to by City and HAMUK, and access to creek area for maintenance purposes. It is agreed that the value of such incentive is

less than the maximum value established under the City's Economic Development Program as adopted by the City effective February 7, 2010.

B. The City will maintain the walking path and lighting associated therewith, including replacement of light fixtures, following completion by HAMUK.

C. The City is not obligated to fulfill its obligations for any year in which the City has determined that HAMUK has failed to fulfill an obligation or condition applicable to it for such year and has provided written notice to HAMUK of such determination.

3. General Terms

3.01 Effective Date and Term. The Effective Date of this agreement is _____, 2016. This Agreement shall become enforceable upon its execution and delivery by the City and HAMUK. Unless this agreement is terminated earlier in accordance with its terms, HAMUK's obligations to perform under this agreement shall be completed on September 30, 2019 and may be extended upon mutual agreement.

3.02 Payments Subject to Future Appropriation. This Agreement shall not be construed as a commitment, issue, pledge or obligation of any specific taxes or tax revenues for payment to HAMUK.

- A. All payments or expenditures, if any, agreed to be made by the City under this Agreement are subject to the City's appropriation of funds for such payments or expenditures to be paid in the budget year for which they are made.
- B. The expenditures, if any, under this Agreement, if paid, shall be made solely from annual appropriations of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements.
- B. In the event the City does not fulfill its obligations hereunder, the City shall not be liable to HAMUK for any payments or expenditures unless and until appropriation of said funds is made; provided, however, that HAMUK, in its sole discretion, shall have, as its sole remedy, the right to terminate this Agreement.
- C. To the extent there is a conflict between this Section 3.02 and any other language or covenant in this Agreement, this Section 3.02 shall control.

3.03 Representations and Warranties. Each party hereto enters into this agreement based upon its own assessment of law and determination of the enforceability of the

particular program under which the contributions of the City are made. Neither party shall be liable to the other for damages in the event of the unenforceability of this agreement nor for any of the other agreements executed in connection herewith.

3.04 Default. If either the City or HAMUK should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of ninety (90) days after the receipt of said notice to cure such default, prior to pursuing any remedy for default.

3.05 Entire Agreement. This Agreement contains the entire agreement between the parties. All prior negotiations, discussions, correspondence, and preliminary understandings between the parties and others relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the City and HAMUK.

3.06 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

3.07 Assignment. HAMUK may not assign all or part of its rights and obligations to a third party without prior written approval of the City, which approval may be withheld for any reason, or no reason.

3.08 Termination. In the event HAMUK elects not to proceed with the Project as contemplated by this Agreement, HAMUK shall notify the City in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect.

3.09 Notice. Any notice and/or statement required or permitted to be delivered shall be deemed delivered by actual delivery, by facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

HAMUK
Attn: Laura Juenke
P.O. Box 294059
Kerrville, Texas 78029

CITY OF FREDERICKSBURG, TEXAS:
Kent Myers,
City Manager
124 West Main Street
Fredericksburg, Texas 78624

Either party may designate a different address at any time upon written notice to the other party.

3.10 Interpretation. Each of the parties has been represented by counsel of their

choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute regarding its meaning or application, be interpreted fairly and reasonably and neither more strongly for, nor against any party.

3.11 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in the State courts of Gillespie County, Texas.

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

3.13 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

3.14 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

3.15 No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with HAMUK facilities or the design, construction or operation of any portion of the facilities.

3.16 Public and Confidential Information. Information provided by or on behalf of HAMUK under or pursuant to this Agreement that HAMUK considers as proprietary shall be maintained as confidential to the extent allowed by law provided that the same has been designated as proprietary to the City in advance of any third party request for the same. If proprietary financial or trade secret information is requested under the Texas Public Information Act, the City shall follow the standards set out in the Act and under the Texas Attorney General's procedures for such requests, and HAMUK shall be responsible for defending the confidentiality of such information. Other records and information provided to the City and its representatives to verify compliance with this Agreement shall be available for public inspection.

3.17 Exhibits. The following Exhibits are attached and incorporated by reference for all purposes.

Exhibit "A": Property Description of Project

Exhibit "B": Economic Development Projections

Exhibit "C": Preliminary sketch of the Project plat
Exhibit "D": Property to be quitclaimed to HAMKUK

HAMUK, LLC.

By: _____
President/Manager

CITY OF FREDERICKSBURG, TEXAS

By: _____
Kent Myers
City Manager

EXHIBIT "A"

TRACT 1: Being a 0.770 acre tract of land being all of Townlot 579 of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a 0.311 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a portion of Baron's Creek, said 0.770 acre tract of land being more particularly described by metes and bounds in Exhibit "A-1", attached hereto and made a part hereof; **SAVE AND EXCEPT** that 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds in Exhibit "A-2", attached hereto and made a part hereof.

TRACT 2: Being a 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds in Exhibit "A-3", attached hereto and made a part hereof.

TRACT 3: Being a 0.830 acre tract of land being all of Townlot 580 of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a 0.371 acre tract of land out of an unnumbered or unnamed area of the German Emigration map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a portion of Baron's Creek, said 0.830 acre tract of land being more particularly described by metes and bounds in Exhibit "A-4", attached hereto and made a part hereof.

TRACT 4: Being a 0.463 acre tract of land, more or less, being all of Townlot No. 581 as said Townlot is shown on the map of Fredericksburg, Texas, and Environs by the German Emigration Company, said 0.463 acre tract of land being more particularly described by metes and bounds in Exhibit "A-5", attached hereto and made a part hereof.

TRACT 5: Being a 0.233 acre tract of land, more or less, being the N.E. ½ of Townlot No. 582 as said Townlot is shown on the map of Fredericksburg, Texas, and Environs by the German Emigration Company, said 0.233 acre tract of land being more particularly described by metes and bounds in Exhibit "A-6", attached hereto and made a part hereof.

TRACT 6: Being a 0.26 acre tract of land, more or less, being part of an unnumbered tract of land lying N.E. of Townlots No. 581 & 582 as said unnumbered tract and Townlots are shown on the map of Fredericksburg, Texas, and Environs by the German Emigration Company, said 0.26 acre tract of land being more particularly described by metes and bounds in Exhibit "A-7", attached hereto and made a part hereof.

TRACT 7: Being a 0.618 acre tract of land being part of an unnumbered or unnamed area lying northeast of Townlots 581 and 582 according to the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.618 ac tract also lying northeast of that certain 0.26 acre tract of land recorded in Document Number 20132142, Official Public Records of Gillespie County, Texas, said 0.618 acre tract of land being more particularly described by metes and bounds in Exhibit "A-8", attached hereto and made a part hereof.

EXHIBIT "A-1"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.770 ACRE TRACT OF LAND

BEING a 0.770 acre tract of land being all of Townlot 579 of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a 0.311 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a portion of Baron's Creek, said 0.770 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a 3/8" iron rod found with a plastic cap in the northeast right-of-way line of East Ufer Street and being at the south corner of Townlot 579 according to the above referenced map for the south corner of the herein described tract, said point also being at the west corner of Townlot 580;

Thence, with the northwest right-of-way line of East Ufer Street and the southwest line of Townlot 579, North 49 degrees 57 minutes 10 seconds West, a distance of 99.96 feet to a 3/8" iron rod found with a plastic cap at the west corner of Townlot 579, the west corner of the herein described tract and the south corner of Townlot 578;

Thence, departing the northeast right-of-way line of East Ufer Street, in part with the common line between Townlot 578 and Townlot 579 and in part with an extension of said line, North 40 degrees 08 minutes 15 seconds East, at 199.90 feet, a 3/8" iron rod found with a plastic cap at the north corner of Townlot 579 and the east corner of Townlot 578, continuing and severing the above referenced unnumbered or unnamed area, a total distance of 311.41 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following two (2) courses and distances:

South 79 degrees 54 minutes 39 seconds East, a distance of 49.91 feet to a meander point for angle;

and South 67 degrees 45 minutes 38 seconds East, a distance of 59.29 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, in part severing said unnumbered or unnamed area and in part with the common line between Townlot 579 and Townlot 580, South 40 degrees 04 minutes 58 seconds West, at 154.40 feet a 3/8" iron rod found with a plastic cap at the east corner of Townlot 579 and the north corner of Townlot 580, continuing with said common line, a total distance of 354.46 feet to the Point of Beginning containing 0.770 acres.

EXHIBIT "A-2"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.195 ACRE TRACT OF LAND

BEING a 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a point at or near a fence for the west corner of the herein described tract, said point bears North 40 degrees 08 minutes 15 seconds East, a distance of 27.23 feet from a 3/8" iron rod found with a plastic cap at the north corner of Townlot 579 and the east corner of Townlot 578 according to the above referenced map;

Thence, severing the above referenced unnumbered or unnamed area, North 40 degrees 08 minutes 15 seconds East, a distance of 84.29 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following two (2) courses and distances:

South 79 degrees 54 minutes 39 seconds East, a distance of 49.91 feet to a meander point for angle;

and South 67 degrees 45 minutes 38 seconds East, a distance of 59.29 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, severing said unnumbered or unnamed area, the following two (2) courses and distances:

South 40 degrees 04 minutes 58 seconds West, a distance of 79.69 feet to a point at or near a fence for the southeast corner of the herein described tract, said point bears North 40 degrees 04 minutes 58 seconds East, a distance of 74.71 feet from a 3/8" iron rod found with a plastic cap at the east corner of the above referenced Townlot 579 and the north corner of Townlot 580;

and North 75 degrees 28 minutes 49 seconds West, a distance of 110.57 feet to the Point of Beginning containing 0.195 acres.

EXHIBIT "A-3"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.195 ACRE TRACT OF LAND

BEING a 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a point at or near a fence for the west corner of the herein described tract, said point bears North 40 degrees 08 minutes 15 seconds East, a distance of 27.23 feet from a 3/8" iron rod found with a plastic cap at the north corner of Townlot 579 and the east corner of Townlot 578 according to the above referenced map;

Thence, severing the above referenced unnumbered or unnamed area, North 40 degrees 08 minutes 15 seconds East, a distance of 84.29 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following two (2) courses and distances:

South 79 degrees 54 minutes 39 seconds East, a distance of 49.91 feet to a meander point for angle;

and South 67 degrees 45 minutes 38 seconds East, a distance of 59.29 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, severing said unnumbered or unnamed area, the following two (2) courses and distances:

South 40 degrees 04 minutes 58 seconds West, a distance of 79.69 feet to a point at or near a fence for the southeast corner of the herein described tract, said point bears North 40 degrees 04 minutes 58 seconds East, a distance of 74.71 feet from a 3/8" iron rod found with a plastic cap at the east corner of the above referenced Townlot 579 and the north corner of Townlot 580;

and North 75 degrees 28 minutes 49 seconds West, a distance of 110.57 feet to the Point of Beginning containing 0.195 acres.

EXHIBIT "A-4"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.830 ACRE TRACT OF LAND

BEING a 0.830 acre tract of land being all of Townlot 580 of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a 0.371 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas and a portion of Baron's Creek, said 0.830 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a 3/8" iron rod found with a plastic cap in the northeast right-of-way line of East Ufer Street and being at the south corner of Townlot 579 according to the above referenced map for the west corner of the herein described tract and the west corner of Townlot 580;

Thence, departing the northeast right-of-way line of East Ufer Street, in part with the common line between Townlot 579 and Townlot 580 and in part with an extension of said line, North 40 degrees 04 minutes 58 seconds East, at 200.06 feet, a 3/8" iron rod found with a plastic cap at the north corner of Townlot 580 and the east corner of Townlot 579, continuing and severing the above referenced unnumbered or unnamed area, a total distance of 354.46 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following three (3) courses and distances:

South 61 degrees 22 minutes 31 seconds East, a distance of 34.10 feet to a meander point for angle;

South 54 degrees 06 minutes 28 seconds East, a distance of 33.54 feet to a meander point for angle;

and South 54 degrees 10 minutes 06 seconds East, a distance of 33.17 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, in part severing said unnumbered or unnamed area and in part with the common line between Townlot 580 and Townlot 581, South 40 degrees 04 minutes 58 seconds West, at 166.06 feet a 1/2" iron rod set with an orange "Pfeiffer Survey" plastic cap at the east corner of said Townlot 580 and the north corner of Townlot 581, continuing with said common line, a total distance of 366.11 feet to a 1/2" iron rod set with an orange "Pfeiffer Survey" plastic cap in the northeast right-of-way line of East Ufer Street for the south corner of the herein described tract, said point also being the south corner of Townlot 580 and the west corner of Townlot 581 and bears North 49 degrees 56 minutes 28 seconds West, a distance of 279.49 feet from a 1/2" iron rod found;

Thence, with the northwest right-of-way line of East Ufer Street and the southwest line of Townlot 580, North 49 degrees 56 minutes 28 seconds West, a distance of 99.95 feet to the Point of Beginning containing 0.830 acres.

EXHIBIT "A-5"

0.463 acre tract

STATE OF TEXAS, *
COUNTY OF GILLESPIE. *

Field notes and accompanying plat of a survey of 0.463 acre of land, more or less, made at the request of Catering of Central Texas. Said land is situated in the City of Fredericksburg, Gillespie County, Texas, being all of Townlot No. 581 as said Townlot is shown on the map of Fredericksburg, Texas, and Environs by the German Emigration Company, and being that tract of land described in a conveyance to Rubin Wunderlich, et ux by Noah's Ark Child Care, Inc., dated January 26, 1998, found of record in Volume 338, pages 873-874 of the Official Public Records of Gillespie County, Texas.

Said 0.463 acre tract of land is described by metes and bounds as follows, to-wit:

BEGINNING at a 1/2 inch rebar set (all 1/2 inch rebars set are capped: BONN 4447) in the N.E. line of E. Ufer Street, for the West corner of German Emigration Company Townlot No. 582, for the South corner of said Townlot No. 581, for the South corner of this tract of land;

THENCE with the N.W. line of said Townlot No. 582 and with the S.E. line of said Townlot No. 581, N. 40 deg. 04 min. 45 sec. E. at 101.49 feet passing a 1/2 inch rebar set, 203.44 feet in all to a 1/2 inch rebar set, for a southwesterly corner of that 0.26 acre tract of land described in a conveyance to Catering of Central Texas found of record in Instrument No. 20124642 of said Official Public Records, for the occupational North corner of said Townlot No. 582, for the occupational East corner of said Townlot No. 581, for the East corner of this tract of land;

THENCE with the S.W. line of said 0.26 acre tract and the N.E. line of said Townlot No. 582, N. 51 deg. 55 min. 15 sec. W. 100.05 feet to a 1/2 inch rebar found set (capped: PFEIFFER) in the S.E. line of that 0.830 acre tract of land described in a conveyance to Properties of Baron's Creek, LLC, found of record in Instrument No. 20122947 of said Official Public Records, for the West corner of said 0.26 acre tract, for the North corner of said Townlot No. 581, for the North corner of this tract of land;

THENCE with the S.E. line of said 0.830 acre tract and with the N.W. line of said Townlot No. 581, S. 40 deg. 05 min. W. 200.03 feet to a 1/2 inch rebar found set (capped: PFEIFFER) in the N.E. line of E. Ufer Street, for the South corner of said 0.830 acre tract, for the West corner of said Townlot No. 581, for the West corner of this tract of land;

THENCE with the N.E. line of E. Ufer Street, being the S.W. line of said Townlot No. 581, S. 49 deg. 58 min. 10 sec. E. 100.0 feet to the PLACE OF BEGINNING.

EXHIBIT "A-6"

0.233 acre tract
(N.E. 1/4 of Townlot No. 582)

STATE OF TEXAS,
COUNTY OF GILLESPIE.

Field notes and accompanying plat of a survey of 0.233 acre of land, more or less, made at the request of Hamuk, LLC. Said land is situated in the City of Fredericksburg, Gillespie County, Texas, being the N.E. 1/4 of Townlot No. 582 as said Townlot is shown on the map of Fredericksburg, Texas, and Environs by the German Emigration Company, and being that tract of land described in a conveyance to Rubin Wunderlich by Alfred E. Wunderlich, et ux, dated May 2, 1953, found of record in Volume 71, page 446 of the Deed Records of Gillespie County, Texas.

Said 0.233 acre tract of land is described by metes and bounds as follows, to wit:

BEGINNING at a PK nail set in a concrete curb in the N.W. line of S. Llano Street, for the South corner of that 0.26 acre tract of land described in a conveyance to Catering of Central Texas found of record in Instrument No. 20124642 of the Official Public Records of Gillespie County, Texas, for the occupational East corner of said Townlot No. 582, for the East corner of this tract of land;

THENCE with the occupational N.E. line of said Townlot No. 582, being the S.W. line of said 0.26 acre tract, N. 49 deg. 35 min. 20 sec. W., along the centerline of a concrete curb and fence, 100.01 feet to a 1/2 inch rebar set (all 1/2 inch rebars set are capped: BONN 4447), for a southwesterly corner of said 0.26 acre tract, for the occupational East corner of German Emigration Company Townlot No. 581, for the occupational North corner of said Townlot No. 582, for the North corner of this tract of land;

THENCE with the occupational S.E. line of said Townlot No. 581 and with the occupational N.W. line of said Townlot No. 582, S. 40 deg. 04 min. 45 sec. W. 101.95 feet to a 1/2 inch rebar set, for the North corner of the S.W. 1/4 of said Townlot No. 582 as conveyed to Alfred E. Wunderlich, et ux, found of record in Volume 61, pages 32-33 of said Deed Records, for the West corner of the N.E. 1/4 of said Townlot No. 582, for the West corner of this tract of land;

THENCE with the occupational N.E. line of the S.W. 1/4 of said Townlot No. 582 and with the occupational S.W. line of the N.E. 1/4 of said Townlot No. 582, S. 50 deg. 03 min. 15 sec. E., along the centerline of a concrete curb and fence, 100.01 feet to a PK nail set in said concrete curb in the N.W. line of S. Llano Street, for the East corner of said S.W. 1/4 of said Townlot No. 582, for the South corner of said N.E. 1/4 of said Townlot No. 582, for the South corner of this tract of land;

THENCE with the N.W. line of S. Llano Street, being the S.E. line of said Townlot No. 582, N. 40 deg. 05 min. E. 101.13 feet to the PLACE OF BEGINNING.

EXHIBIT "A-7"

STATE OF TEXAS,
COUNTY OF GILLESPIE.

0.26 acre tract

Field notes and accompanying plat of a survey of 0.26 acre of land, more or less, made at the request of Charles of Central Texas. Said land is situated in the City of Fredericksburg, Gillespie County, Texas, being part of an unrecorded tract of land lying N.E. of Township No. 381 & 582 as said unrecorded tract and Township were shown on the map of Fredericksburg, Texas, and environs by the German Reclamation Company, and being that tract of land described in a conveyance to Othello R. Gomez by Otto W. Schmidt, dated March 21, 1979, found of record in Volume 128, page 117 of the Deed Records of Gillespie County, Texas.

Said 0.26 acre tract of land is described by metes and bounds as follows, to wit:

BEGINNING at a P.C. nail set in a concrete curb in the N. W. line of S. Llano Street, for the occupied East corner of said Township No. 582, for the occupational South corner of said Gomez tract, for the South corner of this tract of land;

THENCE with the occupational N.E. line of said Township No. 582, N. 49 deg. 35 min. 20 sec. W., along the centerline of a concrete curb and fence, 100.01 feet to a 1/2 inch rebar set (all 1/2 inch rebars set are capped: BONN 4447), for the occupational North corner of said Township No. 582, for the occupational East corner of said Township No. 581; for a southwesterly corner of this tract of land;

THENCE with the N.E. line of said Township No. 581, N. 51 deg. 55 min. 15 sec. W., generally along and southwesterly of the remains of a wire fence, 100.05 feet to a 1/2 inch rebar spread set (capped: PREUPPER) in the S.E. line of that 0.180 acre tract of land described in a conveyance to Properties of Burns & Creek, LLC, found of record in Instrument No. 20122947 of the Official Public Records of Gillespie County, Texas, for the North corner of said Township No. 581, for the East corner of German Reclamation Company Township No. 580, for the West corner of said Gomez tract, for the West corner of this tract of land;

THENCE with the N. W. line of said Gomez tract, N. 42 deg. 40 min. 20 sec. E. 46.8 feet to a 1/2 inch rebar set, for the North corner of said Gomez tract, for the North corner of this tract of land;

THENCE with the N.E. line of said Gomez tract, S. 58 deg. 14 min. 50 sec. E. 200.00 feet to a 1/2 inch rebar set in the N. W. line of S. Llano Street, for the East corner of said Gomez tract, for the East corner of this tract of land;

THENCE with the N. W. line of S. Llano Street, being the S.E. line of said Gomez tract, S. 40 deg. 03 min. 30 sec. W. 72.0 feet to the PLACES OF BEGINNING.

EXHIBIT "A-8"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.618 ACRE TRACT OF LAND

Being a 0.618 acre tract of land being part of an un-numbered or un-named area lying northeast of Townlots 581 and 582 according to the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.618 acre tract also lying northeast of that certain 0.26 acre tract of land recorded in Document Number 20132142, Official Public Records, Gillespie County, Texas, said 0.618 acre tract being more particularly described by metes and bounds as follows:

Beginning at a ½" iron rod with a "Bonn" plastic cap in the northwest right-of-way line of South Llano Street for the southernmost corner of the herein described tract and the east corner of the above referenced 0.26 acre tract, said point bears North 39 degrees 19 minutes 23 seconds East, a distance of 71.88 feet from a concrete nail found in a concrete curb at the south corner of said 0.26 acre tract;

Thence, with the northeast line of said 0.26 acre tract, North 58 degrees 58 minutes 28 seconds West, a distance of 199.82 feet to a ½" iron rod found with a "Bonn" plastic cap at the north corner of said 0.26 acre tract for the interior corner of the herein described tract;

Thence, with the northwest line of said 0.26 acre tract, South 41 degrees 59 minutes 44 seconds West, a distance of 46.00 feet to a ½" iron rod found with an orange "Pfeiffer Survey" plastic cap for the west corner of said 0.26 acre tract, the north corner of that certain 0.463 acre tract recorded in Document Number 20125518, Official Public Records, Gillespie County, Texas, said point also being a reference point in the southeast line of that certain 0.830 acre tract recorded in Document Number 20125519, Official Public Records, Gillespie County, Texas;

Thence, with the southeast line of said 0.830 acre tract, North 39 degrees 20 minutes 42 seconds East, at 149.94 feet, a ½" iron rod with an orange "Pfeiffer Survey" plastic cap set for reference, continuing a total distance of 166.06 feet to a meander point in the approximate middle of Barons Creek for the northernmost corner of the herein described tract and the east corner of said 0.830 acre tract;

Thence, with the approximate middle of Barons Creek, the following five courses and distances:

South 71 degrees 32 minutes 54 seconds East, a distance of 26.08 feet to a meander point for angle;

South 74 degrees 52 minutes 40 seconds East, a distance of 67.83 feet to a meander point for angle;

South 56 degrees 59 minutes 44 seconds East, a distance of 43.02 feet to a meander point for angle;

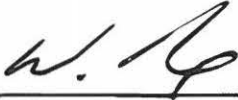
South 38 degrees 02 minutes 42 seconds East, a distance of 39.36 feet to a meander point for angle;

and **South 47 degrees 47 minutes 08 seconds East**, a distance of 32.45 feet to a meander point for the easternmost corner of the herein described tract;

Thence, leaving the approximate middle of said creek generally along a projection of the northwest right-of-way line of South Llano Street, **South 39 degrees 19 minutes 23 seconds West**, at 16.72 feet, a ½" iron rod with an orange "Pfeiffer Survey" plastic cap set for reference, continuing a total distance of 122.85 feet to the **Point of Beginning** containing 0.618 acres.

Note: The bearings are based on the Texas State Plane Coordinate System, Central Zone, 4204, NAD83. A drawing was prepared for this tract.





Wes Rexrode
Registered Professional Land Surveyor No. 6001
Job Number: 171-16 (0.618 acre tract)

HAMUK LLC
155 Doris Dr.
Kerrville TX 78028

1-06-2016

EXHIBIT B

Fredericksburg City Council
RE: Baron Creek/Llano Street Hotel Project

Dear Council Members,

Below is an overview of the economic impact for the city of Fredericksburg, as it pertains to the proposed Hotel Project which is to take place between Barons Creek and Llano Street, across from the HEB Superstore.

The intent is to build a 120 room upscale Hotel that will offer a level of service not yet available in the Downtown Fredericksburg Area. As a fashionable Destination Hotel, it would attract a new type of clientele, which is looking for this type of experience. VIP Guests Visiting Fredericksburg may enjoy a choice of Presidential, Bridal or Honeymoon Suites, along with a selection of well-appointed guest room accommodations.

As a full service hotel, it is projected to employ a minimum of 4 upper management positions along with 25 Full time personnel for the operations, and an additional 25 employees at the Spa, Beauty Salon, Restaurant, Pub, and Gift Shop. The intent is to use local resources, labor, vendors and Artists (as available) throughout all phases of construction, development, and once opened, the operations.

As Stated in the past, we are committed to constructing a Creekside walking path along our property for the city, complete with easement. We have also pledged \$100,000 toward the completion of the 'Covered Llano Street Foot Bridge' over Barons Creek. Removing the worn Ufer houses and enhancing this area with an Upmarket hotel, will help foster responsible development along Barons Creek, Llano Street, and the Greater HEB area. This, in combination with the covered Bridge and city's creek side nature path, will help link the Old Fair Park area to the vibrant Downtown.

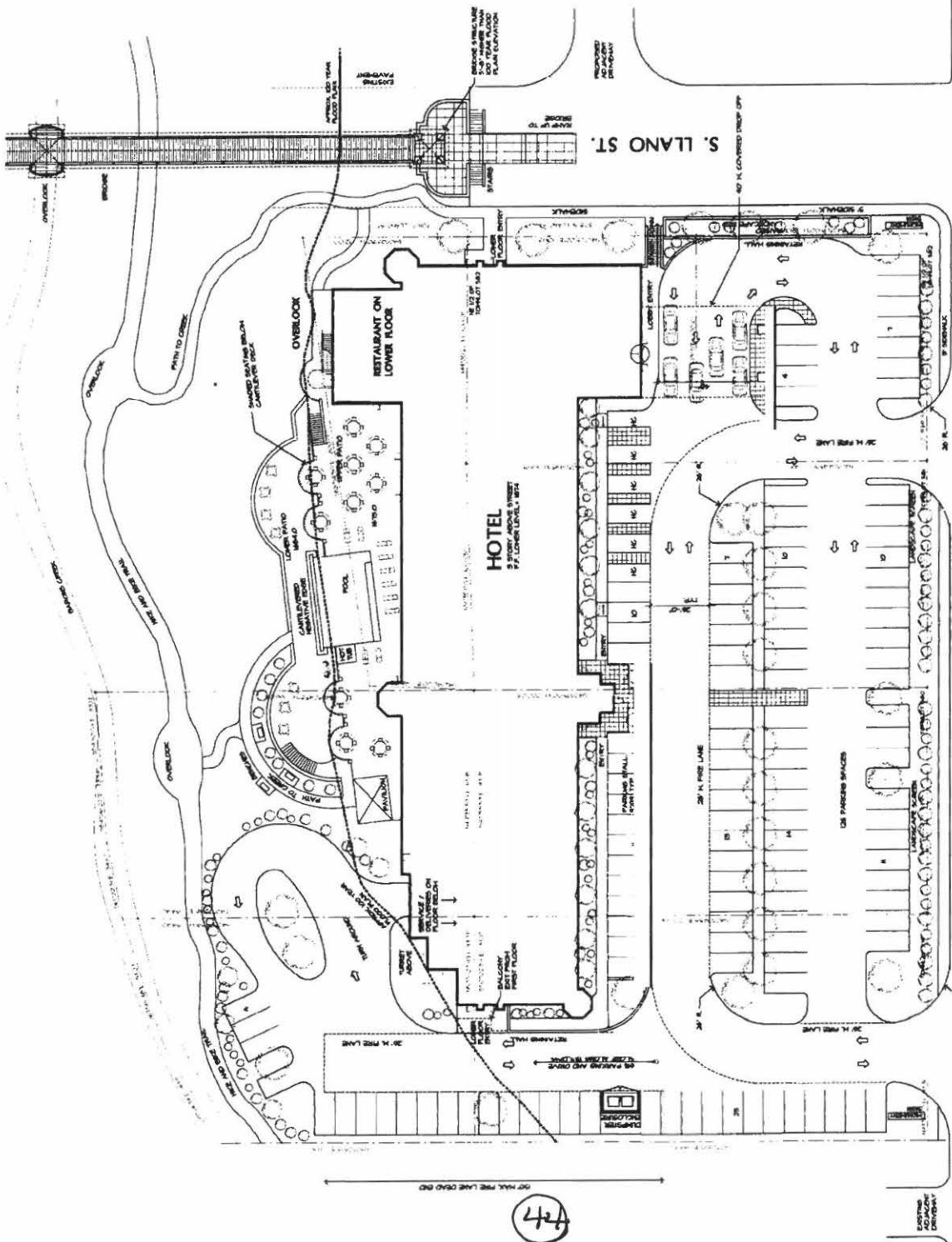
The goal is to integrate the development of this project so to enhance the Fredericksburg experience for both local residents and visiting tourists.

Should you have any questions or concerns about this project please feel free to contact any one of us.

Sincerely,

The Schlunegger Family
Ueli Schlunegger
830-459-2002
Ueli2001@gmail.com
Kurt Schlunegger
830-377-1446
Kurt.Hotel@gmail.com
Marian Schlunegger
830-377-5398
Marians.hotel@gmail.com

474



Fredericksburg Hotel

Fredericksburg, Texas

① Site Plan

A3 Studio
ARCHITECTURE
111 WEST 19TH ST. SUITE 1000, FREDERICKSBURG, TEXAS 78602
PHONE: 512.533.1111 FAX: 512.533.1112
WWW.A3STUDIO.COM

EXISTING
ADJACENT
PROPERTY

HEB

EXISTING
ADJACENT
PROPERTY

E. UFER ST.

S. LLANO ST.

EXHIBIT "D"

TRACT 1: Being a 0.117 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.117 acre tract of land being more particularly described by metes and bounds in Exhibit "D-1", attached hereto and made a part hereof.

TRACT 2: Being a 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds in Exhibit "D-2", attached hereto and made a part hereof.

TRACT 3: Being a 0.371 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.371 acre tract of land being more particularly described by metes and bounds in Exhibit "D-3", attached hereto and made a part hereof.

TRACT 4: Being a 0.618 acre tract of land being part of an unnumbered or unnamed area lying northeast of Townlots 581 and 582 according to the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.618 ac tract also lying northeast of that certain 0.26 acre tract of land recorded in Document Number 20132142, Official Public Records of Gillespie County, Texas, said 0.618 acre tract of land being more particularly described by metes and bounds in Exhibit "D-4", attached hereto and made a part hereof.

EXHIBIT "D-1"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.117 ACRE TRACT OF LAND

BEING a 0.117 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.117 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a 3/8" iron rod found with a plastic cap at the north corner of Townlot 579 according to the above referenced map for the west corner of the herein described tract, said point also being at the east corner of Townlot 578 and bears North 40 degrees 08 minutes 15 seconds East, a distance of 199.90 feet from a 3/8" iron rod found with a plastic cap at the west corner of Townlot 579 and the south corner of Townlot 578;

Thence, severing the above referenced unnumbered or unnamed area, the following three courses and distances:

North 40 degrees 08 minutes 15 seconds East, a distance of 27.23 feet to a point at or near a wire fence for the north corner of the herein described tract;

South 75 degrees 28 minutes 49 seconds East, a distance of 110.57 feet to a point at or near a wire fence for the east corner of the herein described tract;

and South 40 degrees 04 minutes 58 seconds West, a distance of 74.71 feet to a 3/8" iron rod found with a plastic cap at the east corner of the above referenced Townlot 579 for the south corner of the herein described tract and the north corner of Townlot 580, said point bears North 40 degrees 04 minutes 58 seconds East, a distance of 200.06 feet from a 3/8" iron rod found with a plastic cap at the south corner of Townlot 579 and the west corner of Townlot 580;

Thence, with the northeast line of said Townlot 579, North 50 degrees 02 minutes 54 seconds West, a distance of 99.77 feet to the Point of Beginning containing 0.117 acres.

EXHIBIT "D-2"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.195 ACRE TRACT OF LAND

BEING a 0.195 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.195 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a point at or near a fence for the west corner of the herein described tract, said point bears North 40 degrees 08 minutes 15 seconds East, a distance of 27.23 feet from a 3/8" iron rod found with a plastic cap at the north corner of Townlot 579 and the east corner of Townlot 578 according to the above referenced map;

Thence, severing the above referenced unnumbered or unnamed area, North 40 degrees 08 minutes 15 seconds East, a distance of 84.29 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following two (2) courses and distances:

South 79 degrees 54 minutes 39 seconds East, a distance of 49.91 feet to a meander point for angle;

and South 67 degrees 45 minutes 38 seconds East, a distance of 59.29 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, severing said unnumbered or unnamed area, the following two (2) courses and distances:

South 40 degrees 04 minutes 58 seconds West, a distance of 79.69 feet to a point at or near a fence for the southeast corner of the herein described tract, said point bears North 40 degrees 04 minutes 58 seconds East, a distance of 74.71 feet from a 3/8" iron rod found with a plastic cap at the east corner of the above referenced Townlot 579 and the north corner of Townlot 580;

and North 75 degrees 28 minutes 49 seconds West, a distance of 110.57 feet to the Point of Beginning containing 0.195 acres.

EXHIBIT "D-3"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.371 ACRE TRACT OF LAND

BEING a 0.371 acre tract of land out of an unnumbered or unnamed area of the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.371 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a 3/8" iron rod found with a plastic cap at the north corner of Townlot 580 according to the above referenced map for the west corner of the herein described tract, said point also being at the east corner of Townlot 579 and bears North 40 degrees 04 minutes 58 seconds East, a distance of 200.06 feet from a 3/8" iron rod found with a plastic cap at the west corner of Townlot 580 and the south corner of Townlot 579;

Thence, severing the above referenced unnumbered or unnamed area, North 40 degrees 02 minutes 58 seconds East, a distance of 154.40 feet to a meander point in the field measured center of Baron's Creek for the north corner of the herein described tract;

Thence, with the field measured center of Baron's Creek, the following three (3) courses and distances:

South 61 degrees 22 minutes 31 seconds East, a distance of 34.10 feet to a meander point for angle;

South 54 degrees 06 minutes 28 seconds East, a distance of 33.54 feet to a meander point for angle;

and South 54 degrees 10 minutes 06 seconds East, a distance of 33.17 feet to a meander point for the east corner of the herein described tract;

Thence, departing the field measured center of Baron's Creek, severing said unnumbered or unnamed area, South 40 degrees 04 minutes 58 seconds West, a distance of 166.06 feet to a 1/2" iron rod set with an orange "Pfeiffer Survey" plastic cap at the east corner of said Townlot 580 and the north corner of Townlot 581 for the south corner of the herein described tract, said point also bears North 40 degrees 04 minutes 58 seconds East, a distance of 200.05 feet from a 1/2" iron rod set with an orange "Pfeiffer Survey" plastic cap at the south corner of said Townlot 580 and the west corner of Townlot 581;

Thence, with the northeast line of Townlot 580, North 49 degrees 55 minutes 59 seconds West, a distance of 99.95 feet to the Point of Beginning containing 0.371 acres.

EXHIBIT "D-4"

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A 0.618 ACRE TRACT OF LAND

Being a 0.618 acre tract of land being part of an un-numbered or un-named area lying northeast of Townlots 581 and 582 according to the German Emigration Map of Fredericksburg, Texas and Environs in Gillespie County, Texas, said 0.618 acre tract also lying northeast of that certain 0.26 acre tract of land recorded in Document Number 20132142, Official Public Records, Gillespie County, Texas, said 0.618 acre tract being more particularly described by metes and bounds as follows:

Beginning at a ½" iron rod with a "Bonn" plastic cap in the northwest right-of-way line of South Llano Street for the southernmost corner of the herein described tract and the east corner of the above referenced 0.26 acre tract, said point bears North 39 degrees 19 minutes 23 seconds East, a distance of 71.88 feet from a concrete nail found in a concrete curb at the south corner of said 0.26 acre tract;

Thence, with the northeast line of said 0.26 acre tract, North 58 degrees 58 minutes 28 seconds West, a distance of 199.82 feet to a ½" iron rod found with a "Bonn" plastic cap at the north corner of said 0.26 acre tract for the interior corner of the herein described tract;

Thence, with the northwest line of said 0.26 acre tract, South 41 degrees 59 minutes 44 seconds West, a distance of 46.00 feet to a ½" iron rod found with an orange "Pfeiffer Survey" plastic cap for the west corner of said 0.26 acre tract, the north corner of that certain 0.463 acre tract recorded in Document Number 20125518, Official Public Records, Gillespie County, Texas, said point also being a reference point in the southeast line of that certain 0.830 acre tract recorded in Document Number 20125519, Official Public Records, Gillespie County, Texas;

Thence, with the southeast line of said 0.830 acre tract, North 39 degrees 20 minutes 42 seconds East, at 149.94 feet, a ½" iron rod with an orange "Pfeiffer Survey" plastic cap set for reference, continuing a total distance of 166.06 feet to a meander point in the approximate middle of Barons Creek for the northernmost corner of the herein described tract and the east corner of said 0.830 acre tract;

Thence, with the approximate middle of Barons Creek, the following five courses and distances:

South 71 degrees 32 minutes 54 seconds East, a distance of 26.08 feet to a meander point for angle;

South 74 degrees 52 minutes 40 seconds East, a distance of 67.83 feet to a meander point for angle;

South 56 degrees 59 minutes 44 seconds East, a distance of 43.02 feet to a meander point for angle;

South 38 degrees 02 minutes 42 seconds East, a distance of 39.36 feet to a meander point for angle;

and South 47 degrees 47 minutes 08 seconds East, a distance of 32.45 feet to a meander point for the easternmost corner of the herein described tract;

Thence, leaving the approximate middle of said creek generally along a projection of the northwest right-of-way line of South Llano Street, **South 39 degrees 19 minutes 23 seconds West**, at 16.72 feet, a ½" iron rod with an orange "Pfeiffer Survey" plastic cap set for reference, continuing a total distance of 122.85 feet to the **Point of Beginning** containing 0.618 acres.

Note: The bearings are based on the Texas State Plane Coordinate System, Central Zone, 4204, NAD83. A drawing was prepared for this tract.



A handwritten signature in black ink, appearing to be "W. Rexrode", written over a horizontal line.

Wes Rexrode
Registered Professional Land Surveyor No. 6001
Job Number: 171-16 (0.618 acre tract)

HAMUK LLC
155 Doris Dr.
Kerrville TX 78028

3-27-2018

Fredericksburg City Council
RE: Baron Creek/Llano Street Hotel Project

Dear Council Members,

Following is a revised proposal for the Hotel Project on Barons Creek. The new project is similar to the original, but it addresses concerns about size, scope, scale and architecture.

The new project is an 80 room, full service hotel with a "Hill Country" design. It will feature several guest amenities including: Restaurant/Bar, hair salon, and resort style pool area, and meeting space to accommodate the hotel. As a full-service hotel, it is projected to employ 3 upper management positions along with 20 Full time personnel for the operations, and an additional 10 employees at the Beauty Salon, Restaurant/Pub.

The hotels new footprint is smaller and integrates well into the neighborhood, retains much of the Creekside "natural area", and addresses concerns about competing with the prominence of the church across the creek.

We will continue to clean and develop the site while we await approval. Last year a 400' long, 10' wide, concrete nature walking path was completed along Barons creek. Currently the lots are being cleared, and removal of the houses along Ufer street has begun.

Timeline for new project

June 2018	Preliminary plans are approved by city, and conditional use permit obtained.
December 2018	Final architectural and engineering plans submitted to City.
January 2019	Expedited construction begins upon approval of final plans
October 2020	Hotel opening approximately 20 months after construction has started.

We look forward to working with Kent and his staff to bring a quality project to Fredericksburg. Should you have any questions or concerns about this project please feel free to contact any one of us.

Sincerely,

The Schlunegger Family

Ueli Schlunegger
830-459-2002
Ueli2001@gmail.com
Kurt Schlunegger
830-377-1446
Kurt.Hotel@gmail.com
Marian Schlunegger
830-377-5398
Marrians.hotel@gmail.com

FIRST AMENDMENT TO
CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF FREDERICKSBURG AND HAMUK, LLC.

WHEREAS, HAMUK, LLC ("HAMUK") and the City of Fredericksburg, Texas ("City") entered into a Chapter 380 Economic Development Agreement ("Agreement") on December 19, 2016, related to the development of a hotel, creek improvement area, related administrative offices, and parking (collectively defined as "Project" in the Agreement); and

WHEREAS, the City and HAMUK desire to enter into this First Amendment to the Agreement ("First Amendment"), to adopt a modified construction timeline and revised design for the Project.

NOW, THEREFORE, in consideration of the mutual agreements set forth in the Agreement and this First Amendment, and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. The definition of the "Project", as defined in the third recital paragraph of the Agreement, shall be amended by deleting the text "120 room high end resort hotel", and inserting the text "80 room full service hotel" to replace the deleted text.
2. Exhibit B to the Agreement is hereby supplemented by the revised HAMUK proposal letter dated 3-27-2018, a copy of which is attached hereto as Exhibit B-1 and incorporated herein by reference. In the event of any inconsistency or conflict between the provisions of the Exhibit B and those of the Exhibit B-1, Exhibit B-1 shall prevail. Except as amended by Exhibit B-1, Exhibit B shall remain unchanged and in full force and effect.
3. Section 1.02(A) of the Agreement is hereby replaced in its entirety to read as follows:

1.02 Construction and Maintenance of Project.

A. HAMUK shall construct the following improvements upon the Property (the Project) in the time periods as follows:

June 2018 - Preliminary plans are approved by City, and conditional use permit obtained.

December 2018 - Final architectural and engineering plans submitted to City.

January 2019 - Expedited construction begins upon approval of final plans.

October 2020 - Hotel opening approximately 20 months after construction has started.

4. All terms referred to and not defined herein shall have the meaning ascribed to them under the Agreement. This First Amendment shall become effective upon execution by both parties.

5. In the event of any inconsistency or conflict between the provisions of this First Amendment and those of the Agreement, this First Amendment shall prevail. Except as specifically amended by this First Amendment, the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto has executed this First Amendment, or caused the same to be executed by its duly authorized representative.

HAMUK, LLC.

By: _____ Date: _____

Printed Name and Title: _____

CITY OF FREDERICKSBURG, TEXAS

By: _____ Date: _____
Kent Myers, City Manager

EXHIBIT
B-1

HAMUK LLC
155 Doris Dr.
Kerrville TX 78028

3-27-2018

Fredericksburg City Council
RE: Baron Creek/Llano Street Hotel Project

Dear Council Members,

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Sincerely,

The Schlunegger Family

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830-377-5398
Marrians.hotel@gmail.com



CITY COUNCIL MEMO

DATE: May 30, 2018
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: City Council Rules of Procedure

Summary:

Several proposed changes to the City Council Rules of Procedure were discussed at the recent City Council Retreat.

Recommendation:

It is recommended that the Council approve revisions to the Rules of Procedure as discussed at the recent Council Retreat.

Background / Analysis:

The attached City Council Rules of Procedure were approved in 2013 and amended in 2014. At the recent City Council Retreat several changes to these Rules were discussed. The City Council is requested to take action to approve these changes at this time. This includes moving the public comment section of the City Council agenda (item #10) to take place following item #3. The other restrictions on public comment, including the 3-minute time limit, would remain the same. The other change that was discussed at the Retreat is the removal of the first paragraph in Section 6 regarding excused absences from Council meetings.

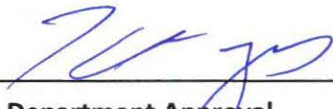


The City of Fredericksburg

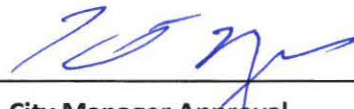
If these changes are approved I will forward a revised Rules of Procedure to the City Council and we will revise the order of the Council agenda starting at the next Council meeting.

Attachments:

City Council Rules of Procedure



Department Approval



City Manager Approval



The City of Fredericksburg

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



City of Fredericksburg

City Council Rules of Procedure

Section 1 – Rules

These Rules shall govern the procedures followed by the City of Fredericksburg City Council for the conduct of Council meetings and other Council activities pursuant to state law and the City Charter.

Section 2 – Open Public Meetings Act

The Council shall comply with the provisions of the Open Public Meetings Act in the conduct of all meetings to which said Act is applicable.

Section 3 – Executive Sessions

The Council may discuss topics in executive session, which topics are specified in state law or relate to potential or pending litigation and are subject to attorney-client privilege. The City Attorney shall inform the Council whenever any proposed discussion in executive session is not legally allowed.

No member of the City Council, employee of the City or any other person present during executive session of the City Council shall disclose to any person the content or substance of any discussion which took place during said executive session, except during discussion of this issue in open meeting immediately following the executive session.

Section 4 – Work Sessions and Council Retreats

Special meetings designated as work sessions or Council retreats shall be advertised and conducted in the same manner as regular meetings. Work sessions and retreats are for the purpose of in-depth review and discussion of specified issues. Council actions shall not be taken at designated work sessions or retreats.

Section 5 – Quorum

At all meetings of the Council a majority of the Council members shall constitute a quorum for the transaction of business.

Section 6 – Attendance

Attendance/Excused Absence - Council Members shall forfeit his/her office by failing to attend three consecutive regular meetings of the Council without being excused by the Council. Members of the Council may ask to be excused by following the procedure described in this paragraph. The member shall contact the Mayor prior to the meeting and state the reason for his/her inability to attend the meeting. If the member is unable to contact the Mayor, the member shall contact the City Manager or City Secretary, who shall convey the message to the Mayor. Following the call to order, the Mayor shall inform the Council of the member's absence, state the reason for such absence, and inquire if there is a motion to excuse the member. This motion shall be non-debatable. Upon passage of such motion by a majority of members present, the absent member shall be considered excused and the City Secretary will make an appropriate notation in the minutes.

Attendance via telephone conference call or video conference call – To participate in a meeting, all members of the Council shall be present, except that a meeting held by telephone conference call or video conference may be held if:

1. an emergency or public necessity exists within the meaning of Section 551.045 of the Government Code, and
2. the convening at one location of a quorum of the government body is difficult or impossible, and
3. the other requirements of Section 551.125 are met

Additionally, a member may attend a meeting via videoconference if a quorum of the government body is physically present at one location of the meeting, the proper communication equipment is available, and the other requirements of Section 551.127 of the Government Code are met.

Section 7 – Chair of the Council

The Mayor shall be the Chair of the Council and shall preside at all Council meetings. A Mayor Pro-Tem shall be selected annually at the first regular meeting of a new Council. In the absence of Mayor, the Mayor Pro-Tem shall preside. If neither the Mayor nor the Mayor Pro-Tem is present at a meeting, the presiding officer for that meeting shall be selected by a majority of the vote of those Council Members present, providing there is a quorum.

The Chair of the Council may vote on all matters coming before the Council and may offer seconds to motions.

The Chair of the Council shall state all questions coming before the Council, provide opportunity for discussion from the Council Member, and announce the decisions of the Council on all subjects. Procedural decisions shall be made by the Chair of the Council, who may request advice on such matters from the City Attorney.

Section 8 – Agenda

The City Manager shall prepare the agenda of business for all Council meetings. Topics may be added to the agenda:

1. When deemed appropriate by the City Manager
2. At the direction of the Mayor
3. As directed by at least two City Council Members

Every agenda action item must be supported by a written staff report informing the Council and staff of the issue, background and/or analysis, and recommendation and/or conclusion, unless the item is self-explanatory or unless the City Manager has waived this requirement. All written materials for the agenda shall be delivered to the City Secretary by twelve o'clock noon of the Thursday preceding the Council meeting. Except for announcements, late items that the City Manager does not receive by the stated deadlines shall not be considered by the Council except upon specific authorization of the City Manager.

Agendas will be made available to the public at least 72 hours prior to regular Council Meetings, work sessions or retreats, in the following ways:

1. A copy is placed on the City website at www.fbgtx.org
2. Copies are placed on the front counter at City Hall in the Utility Cashier services area
3. A copy is posted on the front door at City Hall

Section 9 – Order of Business

The Mayor may determine the order of business for a particular City Council meeting. The agenda should be arranged to best serve the needs and/or convenience of the Council and the public. The items of business for regular Council meetings may include the following:

1. Call to Order
2. Pledge of Allegiance
3. Ceremonial Matters/Proclamations/Employee Recognition
4. Consent Agenda

5. Public Hearings
6. Ordinances and Resolutions
7. Other considerations
8. City Manager's Report
9. Council Comments
10. Public Comment: The Mayor will invite citizens to address the Council. All persons wishing to be heard are asked to give their names and addresses and topic. To allow the Council to complete its legislative agenda, comments should be limited to no more than 3 minutes per person. At the discretion of the Mayor, or upon vote of the Council, this time period may be lengthened or shortened. Following any public comment, the Mayor or any member of the City Council may direct staff to research the issue or concern raised by the public and report back to the Council. In addition, this concern can be added to the next Council agenda as specified in Section 8. The Council shall not deliberate or discuss issues raised in Public Comment if it was not listed on the agenda. Written comments may be submitted into the record of a Council meeting by presenting the written document to the City Secretary prior to the meeting, and by making copies of the same available to those in attendance, and a copy of the document will be provided to each Council Member, but the document will not be read aloud; or a document may be distributed to the City Council, with a copy to the City Secretary, by a speaker, while the speaker is addressing the Council.
11. Executive Session
12. Adjournment

Section 10 – Voting

Each Council Member shall vote on all questions put to the Council unless a conflict of interest or appearance of fairness problem requires a Council Member to excuse him/herself, and the same shall be noted in the minutes.

Section 11 – Reconsideration of Previous Vote

The City Council may at times want to reconsider a vote previously taken. In order to proceed with reconsideration, a motion should be made for reconsideration and such motion should be voted on and passed by a majority of the Council before the agenda item can be discussed or reconsidered.

Section 12 – Decorum and Debate

When a measure is presented for consideration to the Council, the Mayor shall recognize the appropriate individual to present the matter. When two or more members wish to speak, the



Mayor shall name the member who is to speak first. No member of the Council shall interrupt another while speaking except to make a point of order or privilege.

No Council Member shall be permitted to indulge in personalities, use language personally offensive, or use language tending to hold a member of the Council up to contempt.

Section 13 – Questions of Parliamentary Procedure

Questions of parliamentary procedure not covered by these Rules shall be governed by the 11th Edition of Robert's Rules of Order, Newly Revised (2011 Edition)

Section 14 – Notice of Public Hearings

Notice of all public hearings to be conducted by the City Council or any of its advisory boards and commissions shall be given by publishing written notice, as required by law, ordinance or other statute, or if there is not particular requirement, then at least once in the City's official newspaper prior to the date of the hearing.

Section 15 – Adoption of Ordinances

All City ordinances will require two readings of the City Council prior to adoption. However, in certain cases the Council may elect to waive the second reading and pass the ordinance as presented. Following the first reading of the ordinance, the Council will take one of the following options:

1. The City Council will waive the second reading to the ordinance and consider adopting it as presented.
2. The City Council will proceed with the second reading of the ordinance at the subsequent City Council meeting with any revisions made by the City Council during the first reading of the ordinance.
3. The City Council will schedule a public hearing at a subsequent City Council meeting to allow public comment on the proposed ordinances prior to the second reading and adoption of the ordinance.
4. The City Council will table the ordinance and provide staff with direction on one of the following options:
 - a. Submit the ordinance to other outside organizations or committees for review and comments prior to adoption.
 - b. Refer the ordinance to the next scheduled Council retreat for further discussion.
 - c. Instruct staff to make changes to the ordinance for further discussion at the next regular City Council meeting prior to the second reading of the ordinance being scheduled.

5. The City Council will disapprove the ordinance.

Passed and approved by the City of Fredericksburg City Council July 1, 2013

Amended by the City of Fredericksburg City Council February 3, 2014