

City of Fredericksburg

REGULAR CITY COUNCIL MEETING AGENDA MONDAY, OCTOBER 21, 2019 ~ 6:00 P.M. LAW ENFORCEMENT CENTER ~ 1601 EAST MAIN STREET

Linda Langerhans, Mayor
Tom Musselman, Councilmember
Bobby Watson, Councilmember

Charlie Kiehne, Councilmember
Gary Neffendorf, Councilmember
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a regular session on Monday, October 21, 2019, at 6:00 p.m. in the Law Enforcement Center, 1601 East Main Street, Fredericksburg, Texas. This is an open meeting, open to the public, subject to the Open Meetings Law of the State of Texas, and as required by law, notice is hereby posted on October 18, 2019, before 5:00 p.m., providing time, place, date and agenda thereof. The meeting facility is wheelchair accessible and accessible parking spaces are provided. Requests for accommodations or interpretative services must be made to the City Secretary 48 hours prior to this meeting.

(Please turn off all pagers and phones, except emergency on-call personnel.)

1. PLEDGE OF ALLEGIANCE

2. CALL TO ORDER

3. EMPLOYEE RECOGNITIONS

4. PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all City Council Regular Meetings. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

5. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF CITY COUNCIL.

- A.** Consider approval of the October 7, 2019, City Council Regular Meeting Minutes.
(Agenda Packet Pages 5-10)

6. PUBLIC HEARING

- A. Annexation of approximately 117.1 acres of land situated in Gillespie County, Texas along the south side of W. Live Oak and extending from east of Post Oak Road to west of Smokehouse Road.
 - i. Hold a public hearing to receive comments for or against
 - ii. Discussion on the proposed annexation(Agenda Packet Pages 11- 24)

7. ORDINANCE

- A. Consider the approval of Ordinance 2019-30 amending Article 16.000 – Water and Sewer Rates and Fees, of Appendix A – Fee Schedule, of the Code of Ordinances, to update and amend the fees for Water and Sewer Utility Service provided by the City (second and final reading).
(Agenda Packet Pages 25-44)

8. OTHER ACTION ITEMS AND UPDATES

- A. Zoning Case #Z-1916 by Dotty Duecker on behalf of St. Vincent De Paul Society for a Conditional Use Permit to expand a Nonconforming Use Per Section 6.110 of the Zoning Ordinance at 610 and 612 W. Live Oak Rd.
 - i. Presentation
 - ii. Hold a public hearing to receive comments for or against
 - iii. Consider the approval of the Zoning request.(Agenda Packet Pages 45-52)
- B. Zoning Case #Z-1917 by the City of Fredericksburg to change the Land Use Plan area east of Post Oak Road from Low Density Residential to Commercial and change the first two tracts west of Post Oak Road from Low Density Residential to High Density Residential. And establish the Zoning C1 Neighborhood Commercial on the east of Post Oak Road, R-3, Multi-Family Residential on two tracts west of Post Oak Road, R-1, Single Family Residential on the remaining tracts over to Smokehouse Road, and R-1A, Single Family Residential on the small lot tracts west of Smokehouse Road
 - i. Presentation
 - ii. Hold a public hearing to receive comments for or against
 - iii. Consider the approval of the Land Use Plan
 - iv. Consider the approval of the request to establish the Zoning(Agenda Packet Pages 53-62)
- C. Consider the approval of the Landmark Designation of the Old High School at 110 W. Travis (Building 400) (previously postponed from September 16, 2019, Regular Meeting).
(Agenda Packet Pages 63-66)
- D. Consider the approval of a lease agreement with Poarch Realty for the use of a downtown parking lot located at 108 East San Antonio Street.
(Agenda Packet Pages 67-76)
- E. Consider the approval of the FY 2020 Budget Amendments for expenditures that were approved in the FY 2019 Budget but not completed.
(Agenda Packet Pages 77-80)

- F.** Consider awarding the bid for FY 2020 Lease Purchase Financing for the acquisition of equipment for Public Works and Fire Department.
(Agenda Packet Pages 81-84)
- G.** Consider awarding a Professional Services Contract to Kimley-Horn and Associates, Inc. for the completion of the Transportation Projects Traffic Impact Study.
(Agenda Packet Pages 85-100)
- H.** Receive a presentation and discuss the Texas PACE Program.
(Agenda Packet Pages 101-164)

9. CITY MANAGER'S REPORT

- A.** City Council Work Session-October 29th
- B.** November 5, 2019 Special Election

10. ITEMS FOR FUTURE AGENDA

(Agenda Packet Pages 165-166)

11. COUNCIL COMMENTS

Reports about items of community interest, which no action will be taken.

12. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.072

- A.** Consider and discuss the purchase, exchange, lease, or value of real property, located near the intersection of S. Llano St. and E. San Antonio St., in the City of Fredericksburg (Sec. 551.072).

13. BUSINESS ITEM

The City Council will reconvene into Regular Session upon the conclusion of the Executive Session, the City Council may take action on any item posted in Executive Session, as necessary.

14. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 1:50 p.m. on October 16, 2019, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.



Shelley Goodwin, TRMC
City Secretary



CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL REGULAR MEETING OCTOBER 7, 2019

Members Present:

Mayor Linda Langerhans
Mayor Pro Tem Gary Neffendorf
Councilmember Charlie Kiehne
Councilmember Tom Musselman

Members Absent:

Councilmember Bobby Watson

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director Public Works and Utilities
Daniel Jones, City Attorney
Brian Jordan, Development Services Director
Lea Feuge, Public Information Officer
Steve Wetz, Police Chief
Lynn Bizzell, Fire Chief
Russell Immel, Information Technology Director
Kris Kneese, Assistant Director of Public Works and Utilities
Garret Bonn, Assistant Engineer
Anna Hudson, Historic Preservation Officer
Dave Wisniewski, Fire Marshall
David Millegan, Building Official
Shelley Goodwin, City Secretary

1. PLEDGE OF ALLEGIANCE

Mayor Langerhans led the Pledge.

2. CALL TO ORDER

With a quorum of the City Council present, Mayor Langerhans called the regular meeting of the Fredericksburg City Council to order at 6:00 p.m. on Monday, October 7, 2019, in the Law Enforcement Center, 1601 East Main Street, Fredericksburg, Texas 78624.

3. EMPLOYEE RECOGNITIONS

Kent Myers, City Manager, stated he received the following thank yous:

- Fire and EMS for their assistance at Cross Country Meet held at LBJ Park
- Engineering Department for their assistance with a project
- Fire, EMS, and the Police Department for their assistance at an incident

4. PUBLIC COMMENTS

No one wished to speak.

5. CONSENT

- A. Consider approval of the September 11, 2019, City Council Special Meeting Minutes.**
- B. Consider approval of the September 16, 2019, City Council Regular Meeting Minutes.**
- C. Consider approval of the September 19, 2019, City Council Special Meeting Minutes.**
- D. Consider the corrections to the May 7, 2018, City Council Regular Meeting Minutes.**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Neffendorf, to approve Consent Agenda 5. A.-D. with corrections. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

6. PUBLIC HEARING

- A. Annexation of approximately 117.1 acres of land situated in Gillespie County, Texas along the south side of W. Live Oak and extending from east of Post Oak Road to west of Smokehouse Road.**
 - i. Hold public hearing to receive comments for or against (2nd public hearing October 21, 2019)**
 - ii. Discussion on the proposed annexation**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Neffendorf, to go into the Public Hearing at 6:09 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

Brian Jordan, Development Services Director, reviewed the location of the proposed annexation. He also reviewed the history of the process used for annexation, exemption of properties and the Resolution that was adopted on May 14, 2019. He also stated the Planning and Zoning Commission is considering the zoning request for this area at their meeting on October 8, 2019.

Bobby Stewart stated he is the owner of tract F and will be requesting an R3 Zoning change.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Neffendorf, to go out of the Public Hearing and back into the regular session at 6:21 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

Brian Jordan, Development Services Director, reviewed the differences between R2 Zoning and R3 Zoning. He also reviewed the definition of spot zoning.

The City Council discussed R2 and R3 Zoning and spot zoning.

Kent Myers, City Manager, stated City staff has met with Mr. Stewart several times over the years about the development of affordable housing on tract F.

7. ORDINANCES AND RESOLUTION

- A. Consider the approval of Ordinance 2019-27 amending Chapter 5 – Buildings and Building Regulations, and amending Chapter 7 – Fire Protection, of the Code of Ordinances, to adopt updated versions of the International Codes related to**

building construction, property maintenance, and fire protection within the City, and providing for effective date (second reading).

David Millegan, Building Official, provided an update on the public meeting on October 24th at City Hall in the Fire Training Room at 11:30 a.m. He reviewed the benefits for the City and residents for approving the proposed Ordinance.

The City Council discussed the ISO Rating on new construction. They also discussed the public meeting and the effective date.

Kent Myers, City Manager, discussed the process that will be used for plans that are currently being reviewed.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Neffendorf, to adopt Ordinance 2019-27 amending Chapter 5 – Buildings and Building Regulations, and amending Chapter 7 – Fire Protection, of the Code of Ordinances, to adopt 2015 International Building Code as published by the International Code Council and including Appendices A, C, D, and F, the 2015 International Fire Code including Appendices B, C, D, H, and I, the 2015 International Residential Code including Appendices E, G, and J, but excluding Parts VI, VII, and VIII, the 2015 International Plumbing Code including Appendix C, 2015 International Fuel Gas Code with Appendices A, B, C, and D, the 2015 International Energy Conservation Code, the 2014 International Mechanical Code, the 2015 International Property Maintenance Code, the 2014 National Electric Code with local amendments and providing for an effective date. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

B. Consider the approval of Ordinance 2019-30 amending Article 16.000 – Water and Sewer Rates and Fees, of Appendix A – Fee Schedule, of the Code of Ordinances, to update and amend the fees for Water and Sewer Utility Service provided by the City (first of two readings; City Council may waive second reading).

Kris Kneese, Assistant Director of Public Works and Utilities, reviewed the PowerPoint presentation on the history of the rate increase and the phases. He stated this is the second phase of the rate increase which was part of the Budget revenue process.

Councilmember Neffendorf discussed the possibilities of refinancing bond allowing for a lower rate increase.

Kent Myers, City Manager, stated the lower rate increase would be reviewed before the third rate increase phase.

Motion: A motion was made by Councilmember Neffendorf, seconded by Councilmember Musselman, to approve Ordinance 2019-30 amending Article 16.000 – Water and Sewer Rates and Fees, of Appendix A – Fee Schedule, of the Code of Ordinances, to update and amend the fees for Water and Sewer Utility Service provided by the City on first of two readings. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

8. OTHER ACTION ITEMS AND UPDATES

A. Consider the approval of a contract with HHM & Associates for Professional Services to update the Historic District Design Guidelines.

Anna Hudson, Historic Preservation Officer, reviewed the project and the need for updating the Historic District Design Guidelines. She also reviewed the process used Request for

Qualifications and the selection committee recommend approval of the proposed contract with HHM & Associates at a cost of \$35,000.

Motion: A motion was made by Councilmember Kiehne, seconded by Councilmember Musselman, to approve a contract in the amount of \$35,000 to HHM & Associates for Professional Services to update the Historic District Design Guidelines. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

B. Receive and award a construction contract bid for the Cross Mountain, North and Knauth 1.0 Million Gallon Water Ground Storage Tanks.

Kris Kneese, Assistant Director of Public Works and Utilities, reviewed the process used for the bids for the Cross Mountain, North and Knauth 1.0 Million Gallon Water Ground Storage Tanks. He reviewed the timeline. He also stated staff recommends awarding the contract in the amount of \$4,920,800 to Preload, LLC for the Cross Mountain, North and Knauth 1.0 Million Gallon Water Ground Storage Tanks project.

Motion: A motion was made by Councilmember Neffendorf, seconded by Musselman, to award a construction contract in the amount of \$4,920,800 to Preload, LLC for Cross Mountain, North and Knauth 1.0 Million Gallon Water Ground Storage Tanks project. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

C. Receive a presentation and consider the renewal of the construction contract to Hazelett Concrete Contractors for the City's Annual Sidewalk Improvement Program.

Evan Williamson, Staff Engineer, reviewed the PowerPoint presentation regarding the Annual Sidewalk Improvement Program. He stated staff recommends the renewal of the construction contract with Hazelett Concrete Contractors.

The City Council discussed the sidewalk improvement and the order of the projects.

The City Council agreed by consensus to leave the 900 Block of W. Main to the end.

Motion: A motion was made by Councilmember Neffendorf, seconded by Kiehne, to renew the construction contract with Hazelett Concrete Contractors for the City's Annual Sidewalk Improvement Program. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

A. City Council Work Session-October 29th

Kent Myers, City Manager, reviewed the discussion items on the Agenda:

- Affordable Housing
- Short-term Rentals
- PTO Policy
- Marktplatz User Fees
- Civil Penalties for City Code Violations

B. Oktoberfest Event

Kent Myers, City Manager, reported that there were minimal issues, but there was a concern with the long lines entering the event. He thanked everyone involved for a successful event.

C. Recycling Services

Kent Myers, City Manager, reported that City staff is working with the newspaper to get information out regarding the Recycling Center and the items being accepted.

The City Council recommended having Garret Bonn meet with Fredericksburg ISD and other organizations to assist with the education of the Recycling Services.

D. Complete Count Census Committee

Kent Myers, City Manager, provided an update and stated they are still looking for committee members to assist with outreach to the community. He stated this committee will also assist with education and getting information to residents.

10. ITEMS FOR FUTURE AGENDA

Kent Myers, City Manager, reviewed the Future Agenda Items and reminded the City Council that Councilmember Kiehne and he will not be present at the October 21, 2019, City Council Regular Meeting.

11. COUNCIL COMMENTS

Councilmember Musselman reported that on the night of the accident at his home, it took four minutes for the EMS, Fire Department and Police Department to respond. He complimented the City on the services they provide.

Councilmember Musselman reported that he participated in the Kraut Run and how outstanding the City streets are.

Councilmember Kiehne thanked everyone for all their hard work in making Oktoberfest a success. He also stated he and his wife won the 42 contest.

12. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.087 (Deliberation Regarding Economic Development Negotiations) and Section 551.071 (Consultation with Attorney):

- A. Consider and discuss economic development agreement related to the construction and operation of a Hotel and Conference Center in the City; and to receive legal advice concerning said economic development agreement (Section 551.087 and Section 551.071), and**
- B. Consider and discuss Penick vs. City of Fredericksburg, Texas, (Section 551.071),**
- C. Consider and discuss Alpha Securities vs. City of Fredericksburg, Texas, (Section 551.071) and**
- D. Consider and discuss Rena and Edward A. Blair vs. City of Fredericksburg, Texas, in the 216th District Court (Section 551.071).**

Motion: A motion was made by Councilmember Neffendorf, seconded by Councilmember Musselman, to go out of Regular Session into Executive Session at 7:20 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Kiehne, seconded by Councilmember Neffendorf, to go out of Executive Session into Regular Session at 8:26 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

13. BUSINESS ITEM

No action was taken.

14. ADJOURN

Motion: A motion was made by Councilmember Kiehne, seconded by Councilmember Musselman, to adjourn the Monday, October 7, 2019, City Council Regular Meeting at 8:26 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.

Linda Langerhans
Mayor

ATTEST

Shelley Goodwin, TRMC
City Secretary



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: Public hearing on the annexation of approximately 117.1 acres of land situated in Gillespie County, Texas located along the south side of W. Live Oak Street. (2nd of two required public hearings)

Summary:

The annexation consists of approximately 117.1 acres of land situated in Gillespie County, Texas along the south side of W. Live Oak Street, as shown on the accompanying map. The area consists primarily of properties located along the south side of W. Live Oak Street extending from east of Post Oak Road to west of Smokehouse Road. The property is characterized by primarily residences, vacant land and some commercial businesses. The required public hearings are scheduled for October 7 and October 21, 2019. The Institution of Annexation Proceedings is scheduled for November 12, 2019 (special meeting date).

Recommendation:

Conduct the Public Hearing and receive comments. No action is required.

Background / Analysis:

At the retreat in January, 2018, the City Council prioritized areas of the community for annexation. After the U.S. Highway 290 East corridor, the W. Live Oak Street area was determined as the next highest priority. On August 2, 2019, letters were sent to property owners who have a tax exemption for agricultural, wildlife or timber purposes, offering them a pre-annexation development agreement. This

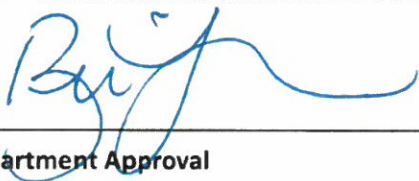
agreement allowed these property owners the ability not to be annexed as long as their property remained undeveloped and met certain requirements. A total of 7 properties qualified for the pre-annexation development agreement. Four of the property owners have signed the agreement and we are finalizing an agreement with a fifth property owner.

On September 6, 2019, letters were sent to all property owners whose properties were included in the proposed annexation (sample copy attached), advising them of the upcoming public hearings. To date, we have received a number of inquiries, but no official letters in support or opposition. Public Hearings on the zoning for the area are scheduled for October 8, 2019 (Planning and Zoning Commission) and October 21, 2019 (City Council).

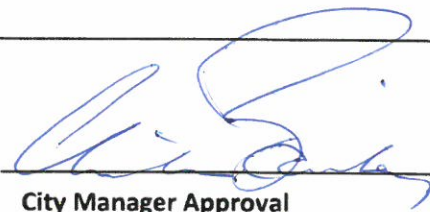
The City is required by statute to prepare a Service Plan for the areas being considered for annexation. The plan sets forth the timing and responsibilities for providing public services. A copy of the Service Plan is attached.

Attachments:

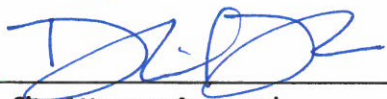
Map of Area, list of property owners, sample annexation notice letter, sample tax-exempt property letter, service plan



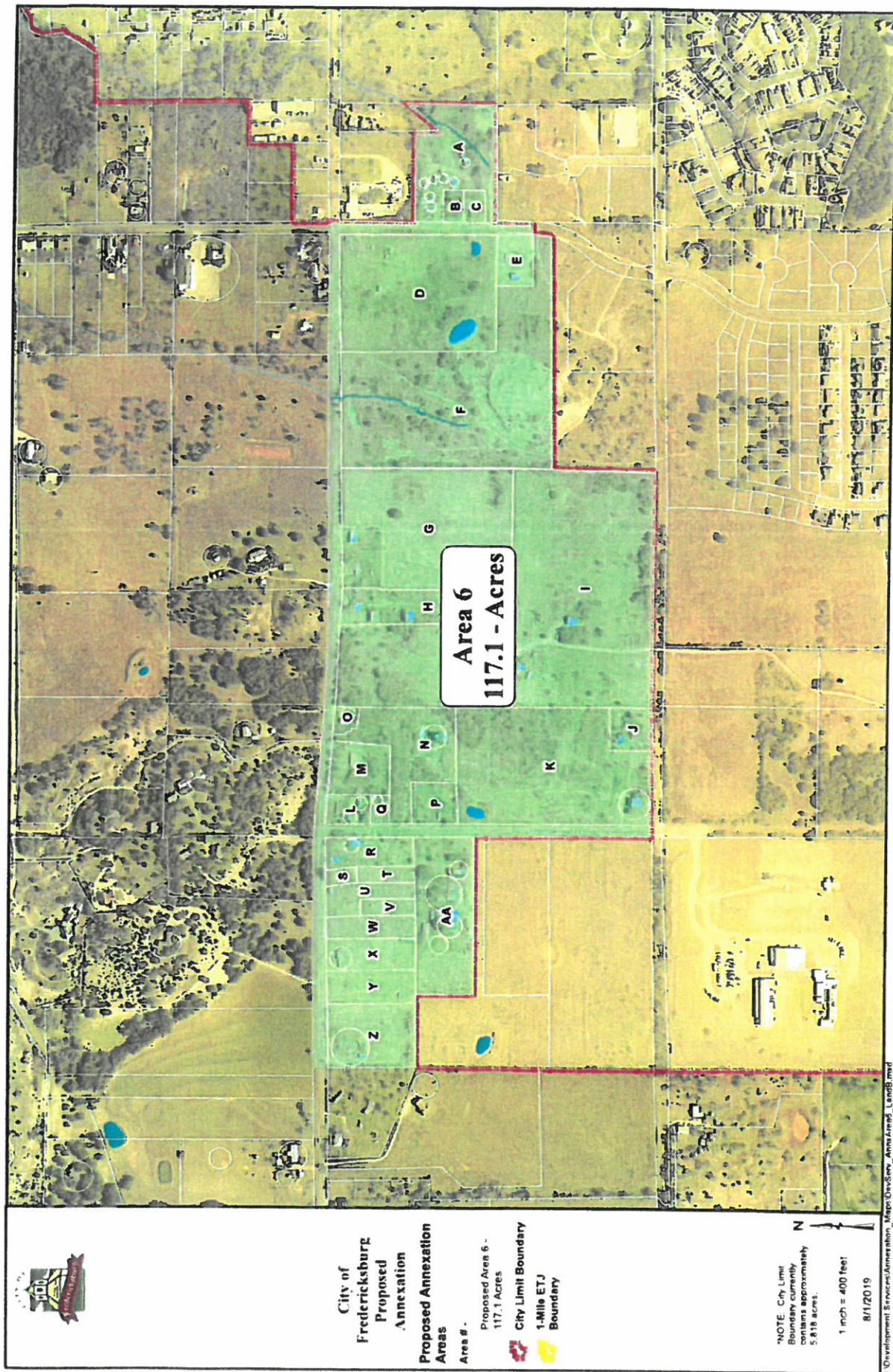
Department Approval



City Manager Approval



City Attorney Approval



	Owner	PID	Site Address
A	James Lloyd Brown	10237	723 Post Oak Road
B	James Lloyd Brown	65494	723 Post Oak Road
C	James Lloyd Brown	13414	723 Post Oak Road
D	Yvonne B Klearner	1949	701 W. Live Oak
E	CTEC Inc.	13848	724 Post Oak Rd.
F	CSE Commercial Real Estate LP	28858	740 Post Oak Rd.
G	Diane Smith Kuykendall	26531	877 W. Live Oak Rd.
H	Edward W. Rode	24133	911 W. Live Oak Rd.
I	BRT Resources LLC	5561	931 W. Live Oak Rd.
J	James E. JR and Donna Strickland	22805	409 Smokehouse Rd.
K	Daniel and Jill Elliott	22807	271 Smokehouse Rd.
L	Guadalupe Albiter	1310	1103 W. Live Oak Rd.
M	Corina S. Granado	28919	1049 W. Live Oak Rd.
N	Stephen and Elizabeth Harris	22808	77 Smokehouse Rd.
O	Maria Guadalupe Rosa	25225	1017 W. Live Oak Rd.
P	Carmin C. Martinez	21914	99 Smokehouse Rd.
Q	Ranulfo Arellano Arias	76964	45 Smokehouse Rd.
R	Eusebio M Salinas, JR	25478	1145 W. Live Oak St.
S	Joe M. Salinas, JR	25463	1161 W. Live Oak St.
T	Joe M. Salinas, JR	25474	1161 W. Live Oak St.
U	Alvino and Valentina Salinas	25448	1175 W. Live Oak St.
V	Marcus Salinas	25457	1129 W. Live Oak St.
W	Alvino and Valentina Salinas	16065	W. Live Oak St.
X	Carmen Marie Zambrano	91790	1235 W. Live Oak St.
Y	Carmen Marie Zambrano	91789	W. Live Oak St.
Z	Bradley Michael Howard	180609	1313 W. Live Oak St.
AA	Lili Guzman Webe	54547	38 H Weber Rd.

City of Fredericksburg
Annexation Service Plan
For Annexation Parcel 2019-02

I. TERRITORY

This service plan is applicable to approximately 117.1 acres of land located along the south side of West Live Oak Street in Gillespie County, Texas (the "Annexation Parcel"), as additionally shown on a map of the area set forth in Exhibit A, a copy of which is attached hereto and incorporated herein by reference. The Annexation Parcel consists primarily of properties located along the south side of West Live Oak Street, extending from Post Oak Road to the west of Smokehouse Road.

II. GENERAL PROVISIONS

a. Effective Term. This service plan shall be in effect for a ten-year period commencing on the effective date of the annexation.

b. Amendment or Renewal. This service plan may be amended from time to time as provided by Local Government Code. Renewal of this service plan shall be at the sole option of the Fredericksburg City Council.

c. Intent. It is the intent of the City of Fredericksburg that this service plan shall provide for the delivery of full municipal services to the annexed area in accordance with State law. The failure of this plan to describe any particular service shall not be deemed to be an attempt to omit the provision of such services from the annexed area. The delivery of municipal services may be accomplished through any means permitted by law.

d. Level of Services to be Provided. It is the intent of the City of Fredericksburg to provide the level of services required by State law. The City Council finds and determines that the level of services, infrastructure and infrastructure maintenance provided within the area prior to annexation is not greater than is provided in the City. The City Council finds and determines that the services, infrastructure and infrastructure maintenance proposed by this plan are comparable to that provided to other parts of the City with reasonably similar topography, land use, and population density. The City Council finds and determines that implementation of this plan in the manner proposed will not reduce the level of fire, police, and emergency medical services available within the City.

III. SERVICES TO BE PROVIDED AT ANNEXATION

The following services will be provided within the annexed area immediately upon the effective date of the annexation. In the case of a gated subdivision, it will be the responsibility of the Property Owners Association (POA) of the gated subdivision to allow timely emergency service access and City staff access, particularly in cases where the access mechanism changes on or after annexation.

a. Police Protection. The City of Fredericksburg Police Department will provide police services, including criminal investigations, routine patrol, traffic enforcement, and dispatched response to both emergency and non-emergency service calls. It is anticipated that police services within the annexed area will be provided utilizing existing levels of personnel and equipment. Currently, the nearest police station is the City of Fredericksburg Police Department headquarters, located at 1601 E. Main Street.

b. Fire Protection and Emergency Medical Services. The City of Fredericksburg Fire Department will provide emergency fire suppression and routine fire prevention services within the annexed area. The City of Fredericksburg Emergency Medical Services (EMS) Department will provide primary EMS services within the annexed area. Firefighters may be dispatched to the scene of accidents or other medical emergencies to assist EMS personnel or to provide "first responder" services pending the arrival of EMS personnel.

c. Solid Waste Collection. The City provides fee based household garbage and recycling collection services to single family residences within the City. The City does not collect garbage from commercial establishments. Commercial garbage collection and disposal and/or recycling and is available from privately owned collection businesses.

The City currently provides residential garbage collection at the street curb using an automated collection system that requires use of specific collection containers. In accordance with the City's current policy, each residential garbage customer will be provided a collection container for waste disposal.

Privately owned solid waste management service providers currently provide collection services within the annexed area and may continue to provide such services. Pursuant to Local Government Code, at any time before the second anniversary of the date an area is included within the corporate boundaries of a the City by annexation, the City may not (1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or (2) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable. The City will commence residential collections services prior to the second anniversary of annexation if requested to do so in writing by any property owner. Any such request must be made at least 90 days prior to the proposed effective date for initiation of City

service.

d. Maintenance of Water and Wastewater Facilities. The annexation territory is not currently within the service area of the City of Fredericksburg. The extension of City utility services to areas not within the service area of another water or wastewater utility service provider will be provided in accordance with the City's capital improvement plan described in Article IV of this service plan, and the City's water and wastewater utility extension policies that are described in Article V of this service plan.

The City does not maintain privately owned water wells or septic or aerobic wastewater systems. Property owners who currently have water wells, septic or aerobic wastewater systems may keep them as long as they are maintained in proper working order. When City wastewater disposal facilities are available to serve existing development the City may require connection to the City system instead of permitting the installation of new septic or aerobic disposal systems. Mandatory connection to the City wastewater system will not be required where existing systems remain in good working order and do not present a threat to public health or safety.

e. Maintenance of Roads, Streets and Street Lighting. The City is currently not responsible for the maintenance of public streets or roads in the annexed area.

The City will assume the responsibility for maintenance of public streets and roads previously accepted for maintenance by official action of the Commissioners Court of Gillespie County. Any such streets or roads formerly maintained by Gillespie County that become subject to City maintenance will be maintained in a condition which is at least equal to the Gillespie County maintenance standard, however, the City will not be required to reconstruct or upgrade such streets to a higher standard.

It is the responsibility of a developer to construct or provide new streets or roads necessary to serve the demands of new development in the areas to be annexed. The City may accept the dedication of public streets constructed in accordance with applicable development regulations of the City.

f. Maintenance of Parks, Playgrounds and Swimming Pools. There are no public parks, public playgrounds, or public swimming pools within the area to be annexed.

g. Maintenance of any other Public Building, Facility or Service. Annexation does not transfer ownership of public buildings, facilities or services, all of which should continue to be maintained or provided by the public entity that currently owns or provides them. Privately owned facilities, including privately owned and operated storm water detention facilities, are not affected by the annexation.

An appropriate City Department will be assigned to assume responsibility for the maintenance or provision of any required facilities or services which become the responsibility of the City and are not expressly provided for by this service plan.

IV. CAPITAL IMPROVEMENTS PLAN

Construction of the following capital improvements related to the annexation will be substantially completed within 2½ years, except for certain services that the City cannot reasonably provide within that period, and for which the City proposes a schedule set forth below to provide for the provision of full municipal services no later than 4-1/2 years after the effective date of the annexation.

a. Police Protection. No additional capital improvements are needed at this time to provide police services.

b. Fire Protection. No capital improvements are needed at this time to provide fire protection services.

c. Solid Waste Collection. No capital improvements are needed at this time to provide solid waste collection services.

d. Water and Wastewater Facilities. The City cannot reasonably provide full water and wastewater services to the annexed area within 2½ years. To provide for the provision of full municipal water and wastewater services to the annexed area no later than 4 ½ years after the effective date of the annexation, the City proposes a schedule set forth below:

Water Service - Design and construction of water infrastructure including, but not limited to water lines, water valves, fire hydrants, and other appurtenances necessary.

Design of water line infrastructure to be complete by September 2022.

Construction of water line infrastructure to be complete by December 2023.

Wastewater Service - Design and construction of wastewater infrastructure including, but not limited to gravity sanitary sewer system, and other appurtenance necessary.

Design of wastewater infrastructure to be complete by September 2022.

Construction of wastewater infrastructure to be complete by December 2023.

e. **Roads, Streets and Streetlights.** No new roads, streets or street lights are needed at this time. It will be the responsibility of a developer of any property to provide the new roads and streets necessary to serve new development within the annexed area.

f. **Parks, Playgrounds and Swimming Pools.** No capital improvements are needed at this time to provide recreational services.

g. **Other Public Buildings, Facilities or Services.** No capital improvements are needed at this time to provide other public services.

V. WATER AND WASTEWATER SERVICE EXTENSION POLICIES

The City provides fee based water and wastewater services to the portions of the City which are not within the service area of another water or wastewater utility provider. For lots that have water or wastewater lines in an abutting street or easement, the owner may receive water or wastewater service by applying for a City tap and paying any required fees.

The provision of water and wastewater facilities for new development within the City is primarily governed by the City's building code and subdivision ordinances that are found in Chapters 14 and 94 of the City Code of Ordinances. New development must be served by owner/developer provided public water and wastewater facilities that meet the City's standard requirements. Upon construction and dedication by the owner/developer the City agrees to provide services via the facilities and thereafter to maintain them.

Facilities necessary to serve any new development are generally provided at the sole cost of the developer. Such facilities include not only those which are located within the developer's property, but also any exterior mains which must be extended to connect the property under development to the point of connection with the City's existing facilities. The City need not compensate the developer for the ordinary costs of extending exterior mains.

The City may require that the developer provide oversized water or wastewater facilities. In such cases the City will pay the reasonable cost of such oversizing. Whether or not a particular line sizing constitutes "oversizing," is determined upon the basis of generally accepted sound engineering design practices.

In newly annexed areas the City examines the need for line extensions to serve existing development that does not currently receive water or wastewater services. The City will determine the need for the construction of lines and facilities to serve existing development after giving due consideration to the topography, land use, population density, the adequacy of existing private water wells and septic tanks and anticipated levels of demand. The City will not undertake line extensions to serve such existing development unless the new lines will be logical,

reasonable and prudent extensions of the City's existing facilities. From time to time, upon the request of an interested property owner the City will consider whether or not line extensions previously deemed unnecessary have become necessary as a result of changed conditions. The City may recover the capital costs of extending water or wastewater facilities to serve existing development through the use of impact fees, assessments or any other method authorized by law.



September 6, 2019

Joe M. Salinas, JR
PO Box 66
Fredericksburg, TX 78624

The purpose of this letter is to notify you that your property is included in a proposed annexation area by the City of Fredericksburg. The Gillespie County Appraisal District records indicate that you own property in the proposed annexation area. Under state law, the City may annex the area after following certain notice and hearing procedures contained in Chapter 43 of the Texas Local Government Code.

State law establishes the procedure the City must follow to annex the area. City staff will prepare a proposed service plan describing the services the City will provide to the area upon annexation. The City Council will then hold public hearings to discuss the annexation and the service plan.

The public hearings will be held at the Law Enforcement Center, 1601 E. Main Street, Fredericksburg, Texas at 6:00 p.m. on October 7, 2019, and at the Law Enforcement Center, 1601 E. Main Street, Fredericksburg, Texas at 6:00 p.m. on October 21, 2019.

If you have questions concerning the annexation process, we encourage you to contact Brian Jordan at 830-997-7521. If you no longer own property in the area, we would appreciate it you would contact Brian Jordan so that we can provide this notice to the current owner.

Sincerely yours,

Brian Jordan, AICP
Director of Development Services



August 2, 2019

Yvonne B Klaerner
701 W. Live Oak Street
Fredericksburg, TX 78624

Dear Property Owner:

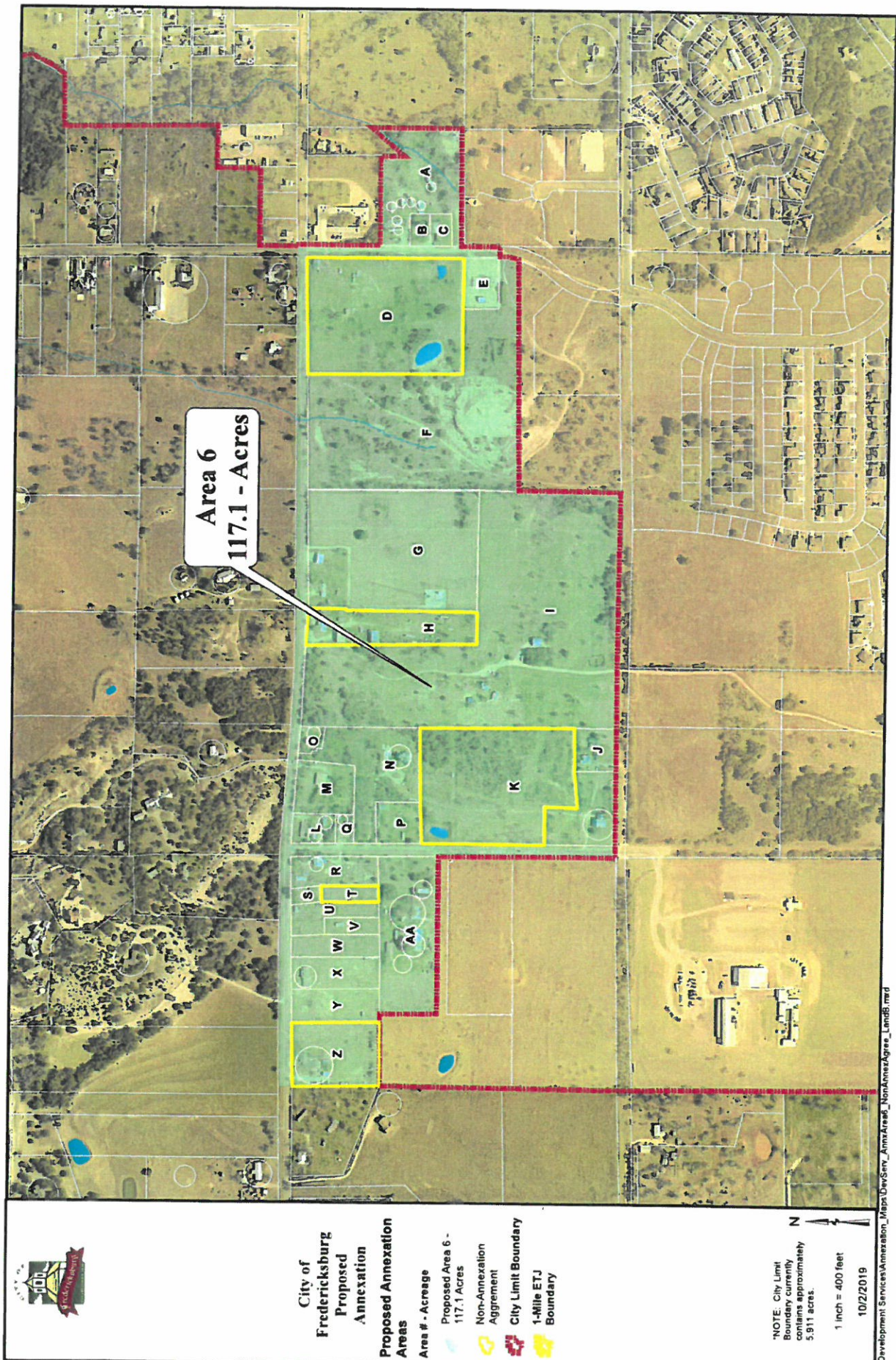
The City Council of the City of Fredericksburg has directed staff to initiate annexation of the area along W. Live Oak Street. Tax records indicate that you are a property owner within the area being considered. In addition, the 2019 tax records indicate that your property is under an Agricultural, Timber or Wildlife ad valorem exemption. As such, Section 43.016 of the Texas Local Government Code requires that the City offer a development agreement in lieu of annexation. The proposed development agreement is enclosed.

Should you elect to accept the development agreement, please sign, notarize and return the enclosed agreement to my attention. If the City receives no response from you on or before August 19, 2019, the City will assume that you have declined to enter into the development agreement. Should you elect to decline the agreement, your property may be annexed and public services will be provided in accordance with a statutory Annexation Service Plan. Said service plan will be available during the annexation process.

City staff will be happy to set up a time to discuss any questions you may have regarding the options mentioned above.

Sincerely,

Brian Jordan, AICP
Director of Development Services





CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Kris Kneese, P.E. – Assistant Director of Public Works and Utilities

SUBJECT: Water & Wastewater Rate Increase

Summary:

In January 2019, HDR presented City Council with information to support a water and wastewater rate increase to cover Water Department operating and debt service costs.

Recommendation:

It is recommended that the attached ordinance increasing water and wastewater rates be approved.

Background / Analysis:

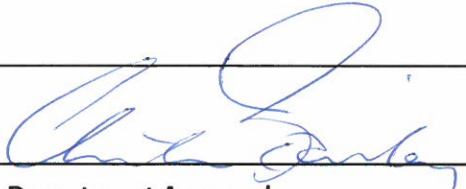
In January 2019, HDR completed an update to the City's water and wastewater rate model study. The conclusion of the rate study indicated a phased approach to increasing the water and wastewater rates over a three year period. In February 2019, City Council approved an ordinance increasing the water and wastewater rates, as shown in the attached presentation.

The second of three rate increases being proposed is shown in the attached presentation. If approved, a water customer who uses 10,000 per month will experience an increase of \$4.63 a month in their water bill. A customer who uses 5,000 gallons of wastewater will have a monthly increase of \$2.80 in their wastewater bill. These new rates will support both existing operating costs as well as the debt service costs for the major water bond projects. If approved, City Staff recommends an effective date of the

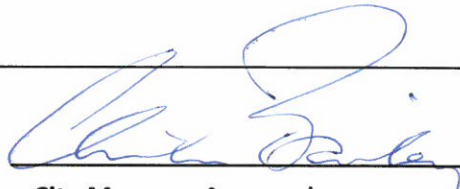
ordinance on November 1, 2019. Revenues from these increases are included in the FY2020 budget previously approved by the City Council.

Attachments:

- Proposed Ordinance with Rates
- Presentation Summarizing Rates



Department Approval



City Manager Approval



City Attorney Approval



2019 UPDATE OF WATER & WASTEWATER RATES

City Council Presentation

City of Fredericksburg

January 21, 2019

HDR

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BACKGROUND

■ Water

- Adequate rates are maintained to comply with reserve requirements and fund the proposed Capital Improvements Plan.
- Annual CIP spending is \$19,800,000 in 2019 and only \$50,000 in 2023. Rates must be set to cover the year of maximum spending.
- Debt has been used to “even out” spending. Rates assume a debt issue of approx. \$18.7 million in 2019 (debt already issued) and \$1.2 million in 2020.
- Assumes 6,121 connections in FY19 with a total billed use of 787 mg.
- Growth rate is 1.2% a year (in-city) and 30% a year (outside-city).
- Total water expenses of \$6.0 million.

BACKGROUND

■ Water CIP

Source of Funding			Estimated Project Cost by Year					Five-Year CIP Total
			2019	2020	2021	2022	2023	
Project Name								
W	W2 Replacement of 2" Water Mains - System Wide	Cash	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
W	W17 Secondary Water Supply to HCMH	Cash		\$ 108,160				\$ 108,160
W	W21 SCADA/Collector - Fiber Termination Room	Cash				\$ 263,218		\$ 263,218
W	W24 1050 GPM Pump at Cross Mountain	Fees			\$ 162,240			\$ 162,240
W	W25 Cross Mtn Storage Tank	Debt	\$ 2,021,294					\$ 2,021,294
W	W29 Water Line in Travis Street	Cash			\$ 1,474,022			\$ 1,474,022
W	W30 North Llano Street Water Line Rehab	Debt		\$ 1,124,864				\$ 1,124,864
W	W32 North Storage Tank	Debt	\$ 2,021,294					\$ 2,021,294
W	W41 East Main Street Water Line Rehab	Cash		\$ 562,432				\$ 562,432
W	W42 West Main Street Water Line Rehab	Cash			\$ 350,958			\$ 350,958
W	W43 Water Line Connection from WRF to Texas Rangers	Cash			\$ 35,096			\$ 35,096
W	W45 South Heights Pump Station Remodel	Cash			\$ 56,243			\$ 56,243
W	W49 12-inch Water Line from South Heights Pump Station	Fees			\$ 944,427			\$ 944,427
W	W51 1000 GPM Pump at South Heights Pump Station	Fees			\$ 337,459			\$ 337,459
W	W52 400 GPM Pump at Windcrest Pump Station	Fees			\$ 174,894			\$ 174,894
W	W58 Windcrest Area Pressure Improvements	Cash		\$ 957,324				\$ 957,324
W	W60 16 inch Water Line to Proposed PS on HWY 290	Debt	\$ 7,440,543					\$ 7,440,543
W	W61 Proposed Pump Station and Ground Storage Tank	Debt	\$ 6,833,596					\$ 6,833,596
W	W61 Proposed Pump Station and Ground Storage Tank	Fees	\$ 1,000,000					\$ 1,000,000
W	W82 Utilities - The Beginning Subdivision	Fees	\$ 70,688					\$ 70,688
W	W83 Utilities - HWY 87 North - Hotel Conference Center	Fees	\$ 113,563					\$ 113,563
W	W27 Bell Street Water Line Rehab	Cash	\$ 250,000					\$ 250,000
W			\$ 19,800,978	\$ 2,802,780	\$ 3,585,339	\$ 313,218	\$ 50,000	\$ 26,552,315

BACKGROUND

■ Wastewater

- Adequate rates are maintained to comply with reserve requirements and fund the proposed Capital Improvements Plan.
- Annual CIP spending in \$8,081,000 in 2020 and only \$50,000 in 2023. Rates must be set to cover the year of maximum spending.
- Debt has been used to “even out” spending. Rates assume a debt issue of approx. \$7.9 million in FY20 and \$2.8 million in FY21 for wastewater projects.
- Assumes 5,743 connections for FY19 with a total billed use of 627 mg.
- Growth rate is 1.2% a year (in-city) and 30% a year (outside-city).
- Total wastewater expenses of \$2.4 million.

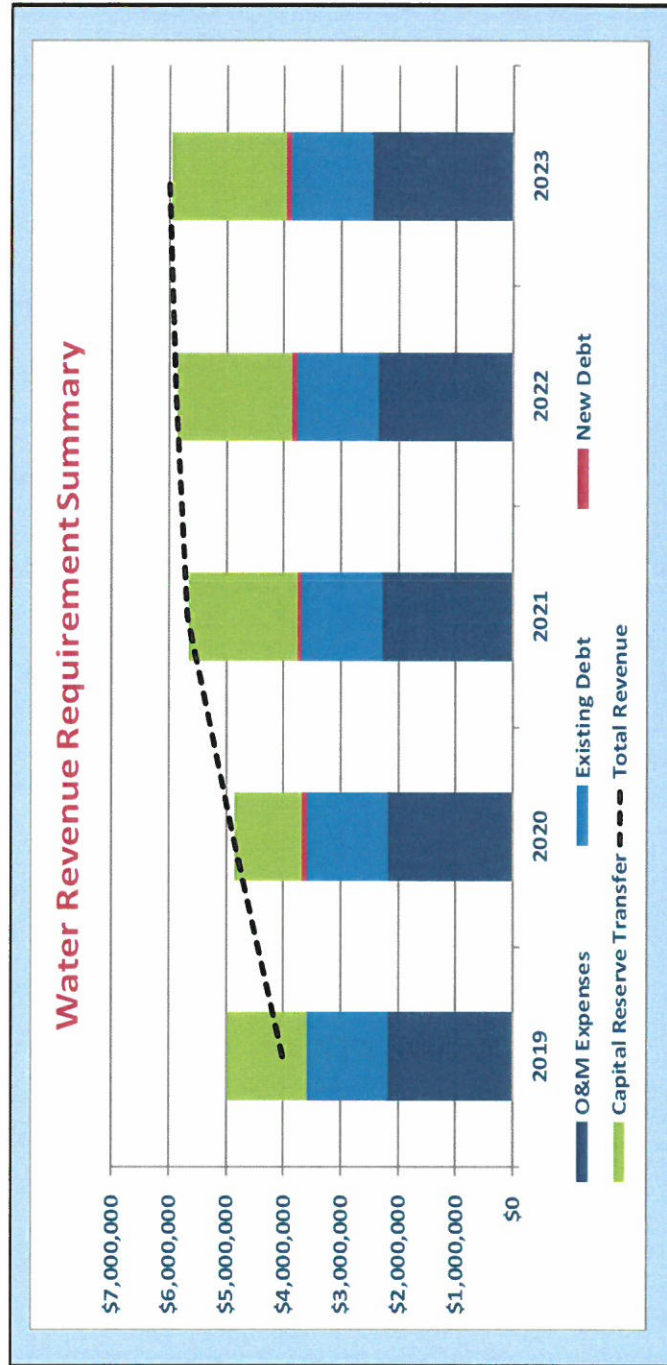
BACKGROUND

Wastewater CIP

Project Name		Source of Funding	Estimated Project Cost by Year						Five-Year CIP	
			2019	2020	2021	2022	2023	Total		
WW	W3 Replacement of Existing Sewer Mains - System Wide	Cash	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000		
WW	W18 San Antonio Street Sewer Line Rehabilitation and Expansion	Cash	\$ 800,000					\$ 800,000		
WW	W19 Hwy 16 - 12" Sewer Upgrade	Cash				\$ 273,747		\$ 273,747		
WW	W26 Fairgrounds Lift Station Expansion	Debt			\$ 2,800,056			\$ 2,800,056		
WW	W28 Sewer Line in Travis Street	Cash			\$ 584,929			\$ 584,929		
WW	W31 North Llano Street Sewer Line Rehab	Debt		\$ 1,124,864				\$ 1,124,864		
WW	W34 WWTP Effluent Storage Ponds	Cash			\$ 1,075,685	\$ 818,901		\$ 818,901		
WW	W38 Heritage Hill Country Lift Station Expansion	Cash						\$ 1,075,685		
WW	W40 WWTP Phosphorus Removal System	Cash		\$ 162,240				\$ 162,240		
WW	W56 Friendship Lane Sewer Line Expansion	Debt		\$ 1,691,795				\$ 1,691,795		
WW	W57 Adams Street Sewer Line Expansion	Debt		\$ 2,177,849				\$ 2,177,849		
WW	W68 Boot Ranch Lift Station Rehabilitation and Expansion	Debt	\$ 340,000	\$ 2,874,300				\$ 3,214,300		
WW	W82 Utilities - The Beginning Subdivision	Fees	\$ 92,040					\$ 92,040		
WW	W83 Utilities - HWY 87 North - Hotel Conference Center	Cash	\$ 746,753					\$ 746,753		
WW	W84 Utilities - Hwy 290 Annexation	Fees	\$ 1,515,000					\$ 1,515,000		
WW			\$ 3,543,793	\$ 8,081,048	\$ 4,510,670	\$ 1,142,648	\$ 50,000	\$ 17,328,159		

WATER UTILITY SUMMARY

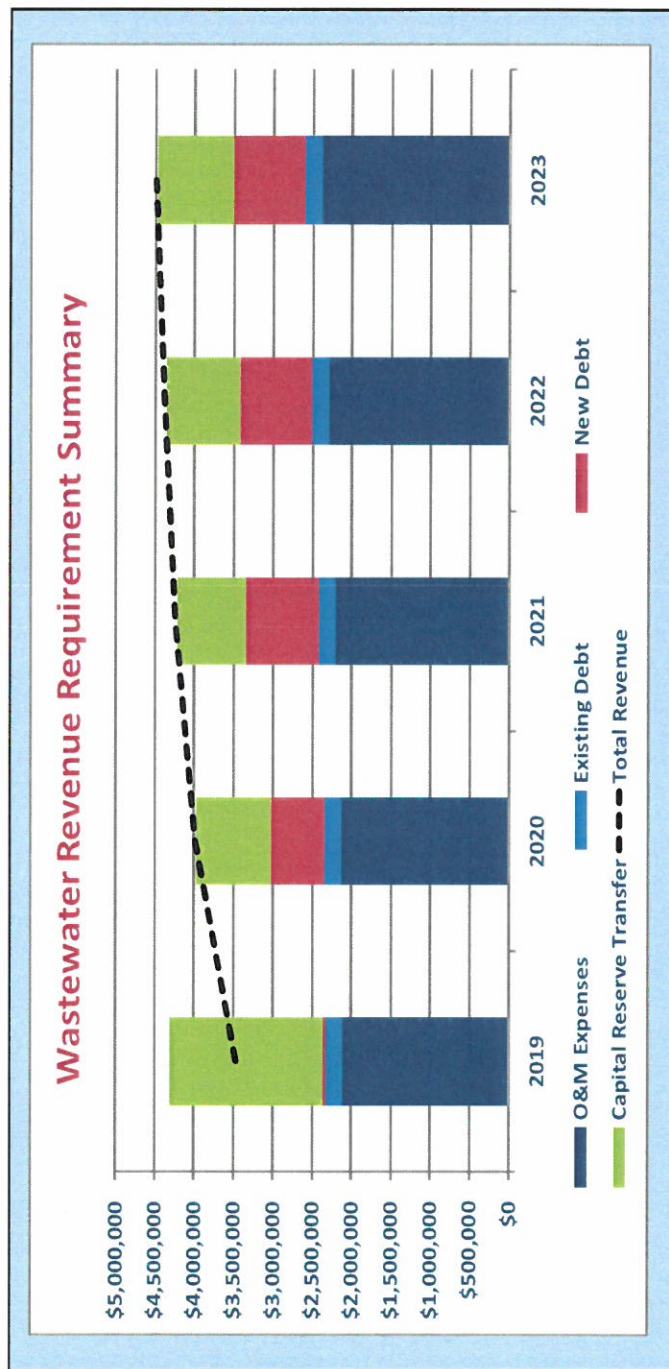
The proposed rate increase for FY19 results in an increase of \$4.11/month for a residential customer with 10,000 gallons of water use.



Water Bill Increase (3,000 gallons) \$1.87 \$2.10 \$2.38 \$0.00 \$0.00
 Water Bill Increase (10,000 gallons) \$4.11 \$4.63 \$5.31 \$0.00 \$0.00

WASTEWATER UTILITY SUMMARY

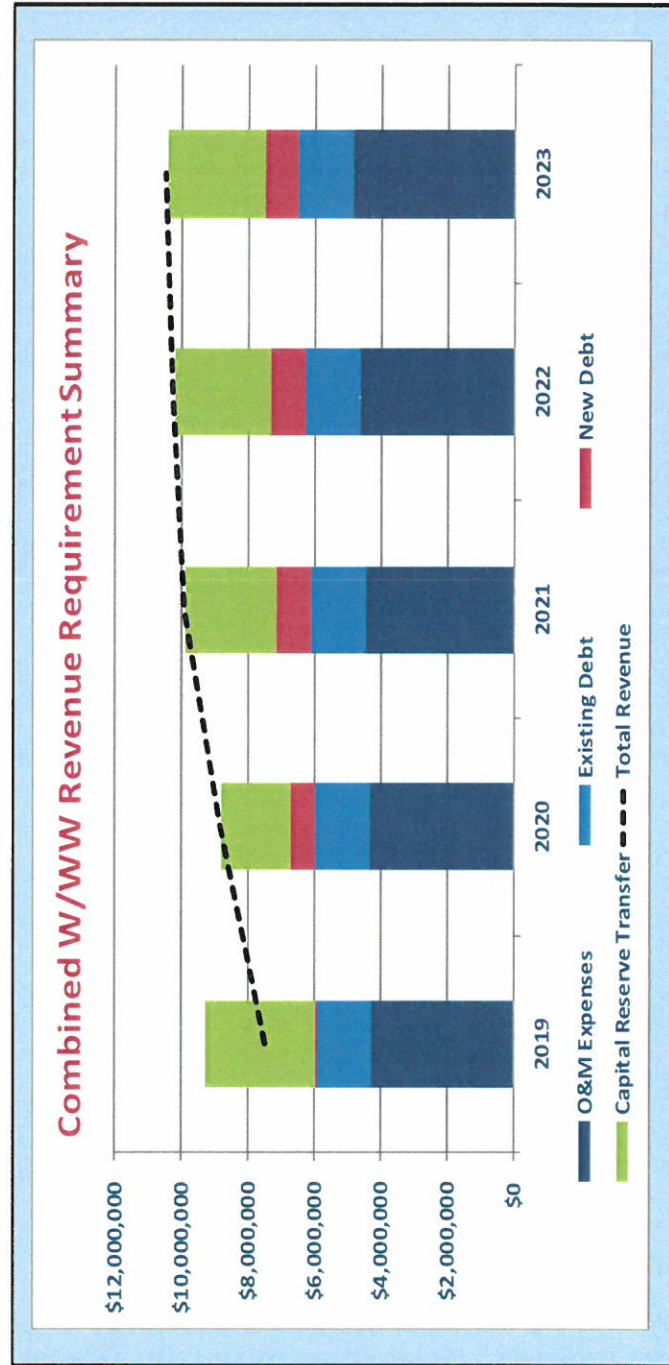
The proposed rate increase for FY19 results in an increase of \$1.33/month for a residential customer with 5,000 gallons of wastewater use.



Wastewater Bill Increase (3,000 gallons) \$1.00
Wastewater Bill Increase (5,000 gallons) \$1.33

UTILITY FUND SUMMARY

The proposed rate increase for FY19 results in an increase of \$5.44/month increase for a residential customer with 10,000 gallons of water & 5,000 gallons wastewater use.



Total Bill Increase (3,000 gallons)	\$2.87	\$4.20	\$3.07	\$0.00	\$0.00
Total Bill Increase (10,000 & 5,000 gallons)	\$5.44	\$7.43	\$6.24	\$0.00	\$0.00

RESIDENTIAL BILL COMP.

- Sorted by Residential Bill @ 10,000 Gallons/Month Water Use -

City	WATER		WASTEWATER		TOTAL WATER & WASTEWATER	
	RESIDENTIAL WATER		RESIDENTIAL SEWER		RESIDENTIAL	
	Bill for 5,000 Gallons	Bill for 10,000 Gallons	Bill for 5,000 Gallons	Bill for 10,000 Gallons	Bill for 5,000 Gallons	Bill for 10,000 Gallons
Boerne	\$ 66	\$ 81	\$ 49	\$ 77	\$ 115	\$ 158
San Marcos	\$ 41	\$ 71	\$ 47	\$ 83	\$ 87	\$ 154
Llano	\$ 47	\$ 58	\$ 73	\$ 82	\$ 120	\$ 141
Marble Falls	\$ 45	\$ 66	\$ 38	\$ 57	\$ 82	\$ 123
Johnson City	\$ 32	\$ 58	\$ 32	\$ 52	\$ 65	\$ 110
Kernville	\$ 27	\$ 44	\$ 35	\$ 61	\$ 62	\$ 105
Brady	\$ 39	\$ 61	\$ 31	\$ 44	\$ 69	\$ 104
New Braunfels	\$ 21	\$ 32	\$ 36	\$ 56	\$ 57	\$ 88
Fredericksburg (Proposed)	\$ 21	\$ 37	\$ 28	\$ 45	\$ 49	\$ 83
Fredericksburg (Current)	\$ 19	\$ 33	\$ 27	\$ 43	\$ 45	\$ 76
Junction	\$ 37	\$ 49	\$ 14	\$ 24	\$ 50	\$ 73
Mason	\$ 28	\$ 46	\$ 15	\$ 24	\$ 43	\$ 70

COMMERCIAL BILL COMP.

- Sorted by Commercial Bill @ 50,000 Gallons/Month Water Use -

City	WATER		WASTEWATER		TOTAL WATER & WASTEWATER	
	COMMERCIAL WATER		COMMERCIAL SEWER		COMMERCIAL	
	Bill for 50,000 Gallons	Bill for 200,000 Gallons	Bill for 50,000 Gallons	Bill for 200,000 Gallons	Bill for 50,000 Gallons	Bill for 200,000 Gallons
Boerne	\$ 385	\$ 1,196	\$ 496	\$ 1,825	\$ 881	\$ 3,021
San Marcos	\$ 392	\$ 1,608	\$ 382	\$ 1,463	\$ 774	\$ 3,072
Marble Falls	\$ 311	\$ 1,278	\$ 213	\$ 798	\$ 524	\$ 2,076
Johnson City	\$ 275	\$ 1,082	\$ 239	\$ 921	\$ 514	\$ 2,004
Kerrville	\$ 195	\$ 856	\$ 284	\$ 1,109	\$ 479	\$ 1,965
Junction	\$ 218	\$ 917	\$ 247	\$ 440	\$ 465	\$ 1,357
Brady	\$ 249	\$ 1,077	\$ 211	\$ 788	\$ 459	\$ 1,865
Llano	\$ 259	\$ 1,121	\$ 180	\$ 594	\$ 438	\$ 1,715
Fredericksburg (Proposed)	\$ 174	\$ 718	\$ 224	\$ 909	\$ 397	\$ 1,627
New Braunfels	\$ 120	\$ 450	\$ 269	\$ 982	\$ 389	\$ 1,432
Fredericksburg (Current)	\$ 154	\$ 638	\$ 213	\$ 861	\$ 367	\$ 1,499
Mason	\$ 242	\$ 650	\$ 50	\$ 50	\$ 292	\$ 700

QUESTIONS?



ORDINANCE NO. 2019-30

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING ARTICLE 16.000 – WATER AND SEWER RATES AND FEES, OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO UPDATE AND AMEND THE FEES FOR WATER AND SEWER UTILITY SERVICE PROVIDED BY THE CITY.

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

Section 1. That, Section 16.300, entitled “Water Department Utility Rates”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 16.300 in its entirety, and the following substituted therefore:

Sec. 16.300. - Water Department Utility Rates.

(Effective November 1st, 2019)

Class	Unit Measure	Gallon Usage	Rate per thousand
Residential	Minimum	0	\$11.60
5/8" meter *	PLUS		
	Per 1,000	1-6,000	\$2.45
		6,001-12,000	\$3.92
		12,001-18,000	\$6.37
		18,001-25,000	\$9.31
		25,001-50,000	\$10.42
		Over 50,000	\$14.09
Residential	Minimum	0	\$19.34
1" meter	PLUS		
	Per 1,000	1-6,000	\$2.45
		6,001-12,000	\$3.92
		12,001-18,000	\$6.37
		18,001-25,000	\$9.31
		25,001-50,000	\$10.42
		Over 50,000	\$14.09

Residential	Minimum	0	\$61.87
2" meter	PLUS		
	Per 1,000	1-6,000	\$2.45
		6,001-12,000	\$3.92
		12,001-18,000	\$6.37
		18,001-25,000	\$9.31
		25,001-50,000	\$10.42
		Over 50,000	\$14.09
Residential	Minimum	0	\$386.67
6" meter	PLUS		
	Per 1,000	1-6,000	\$2.45
		6,001-12,000	\$3.92
		12,001-18,000	\$6.37
		18,001-25,000	\$9.31
		25,001-50,000	\$10.42
		Over 50,000	\$14.09
Commercial	Minimum	0	\$11.60
5/8" meter	PLUS		
	Per 1,000	1-10,000	\$2.40
		Over 10,000	\$3.81
Commercial	Minimum	0	\$19.34
1" meter	PLUS		
	Per 1,000	1-10,000	\$2.40
		Over 10,000	\$3.81
Commercial	Minimum	0	\$61.87
2" meter	PLUS		
	Per 1,000	1-10,000	\$2.40

		Over 10,000	\$3.81
Multi-family **	Minimum	0	\$11.60
5/8" meter	PLUS		
	Per 1,000	1-10,000	\$2.40
		Over 10,000	\$3.81
Multi-family **	Minimum	0	\$19.34
1" meter	PLUS		
	Per 1,000	1-10,000	\$2.40
		Over 10,000	\$3.81
Multi-family **	Minimum	0	\$61.87
2" meter	PLUS		
	Per 1,000	1-10,000	\$2.40
		Over 10,000	\$3.81
Industrial	Minimum	0 - 2,000	\$294.40
	Per 1,000	2,001 - 2,000,000	\$2.12
		2,001,001- 6,500,000	\$2.43
		Over 6,500,000	\$3.29

* This category shall include Manufactured Home Parks wherein one or more common meter(s) serves the entire development. The amount of the bill shall be determined as follows: The total number of gallons used for all meters divided by the total number of homes in the development each month shall be used to calculate the usage and this shall be added to the number of minimum fees times the said number of homes. Example for 20 homes with 200,000 gallons of usage: results in 10,000 gallons attributable to each home at \$2.45 per thousand up to 6,000 (\$14.70) and \$3.92 for 6,001 to 10,000 (\$15.68) or \$30.38 per home plus the \$11.60 minimum times 20 units, or \$232.00 for a total bill of \$839.60. The rates for Manufactured Home Parks in this category are effective November 1, 2019.

** Multi-family—Four or more dwelling units on one property or four or more dwelling units on one meter.

Rates for all Categories of services for all properties lying outside the City limits shall be double those rates listed above, including minimum charges.

{End of code text}

Section 2. That, Section 16.301, entitled “Charge for Reclaimed and Bulk Potable Water Sales”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 16.301 in its entirety, and the following substituted therefore:

Sec. 16.301. - Charge for Reclaimed and Bulk Potable Water Sales.

(a) *Reclaimed water:* A minimum rate of \$20.00 for each customer for each calendar month in which reclaimed water is purchased plus \$1.50 per 1,000 gallons for unlimited amounts, as available.

(b) *Bulk potable water:* A minimum rate of \$61.87 for each customer for each calendar month in which potable water is purchased plus \$2.40 per 1,000 gallons for one to 10,000 gallons per month and \$3.81 per 1,000 gallons for over 10,000 gallons.

{End of code text}

Section 3. That, Section 16.400, entitled “Sewer Department Utility Rates”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 16.400 in its entirety, and the following substituted therefore:

Sec. 16.400. - Sewer Department Utility Rates.

Class	Unit Measure	Rate
Residential		
5/8 " meter	Minimum PLUS	\$11.55 \$3.84 per Gallon usage, per 1,000
1" meter	Minimum PLUS	\$19.25 \$3.84 per Gallon usage, per 1,000
2" meter	Minimum PLUS	\$61.60 \$3.84 per Gallon usage, per 1,000
Commercial		
5/8 " meter	Minimum PLUS	\$11.55 \$4.69 per Gallon usage, per 1,000
1" meter	Minimum PLUS	\$19.25 \$4.69 per Gallon usage, per 1,000
2" meter	Minimum PLUS	\$61.60 \$4.69 per Gallon usage, per 1,000
Multi-family*		

5/8 " meter	Minimum PLUS	\$11.55 \$4.69 per Gallon usage, per 1,000
1" meter	Minimum PLUS	\$19.25 \$4.69 per Gallon usage, per 1,000
2" meter	Minimum PLUS	\$61.60 \$4.69 per Gallon usage, per 1,000

Rates for all Categories of services lying outside the City limits shall be double those rates listed above, including minimum charges.

* Multi-family—Four or more dwelling units on one property or four or more dwelling units on one meter.

FLAT RATES FOR SEWER ONLY CUSTOMERS

Residential customers inside limits\ \$27.65

Residential customers outside limits\ \$41.49

Commercial customers inside limits\ \$37.34

Commercial customers outside limits\ \$74.68

{End of code text}

Section 4. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 5. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 6. Effective Date. This Ordinance shall be effective on and after the 1st day of November, 2019.

PASSED AND APPROVED on this the ____ day of October, 2019.

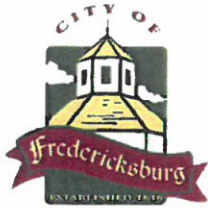
Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: : Public Hearing to consider a Conditional Use Permit to expand the St. Vincent DePaul Society facility located at 610 W. Live Oak Street

Summary:

The applicant is proposing to add approximately 2,500 square feet to the rear of the existing building. Section 6.110 of the Zoning Ordinance requires a Conditional Use Permit for the expansion of a non-conforming use in a commercial zoning district. The site is approximately 1.8 acres, including the two lots owned by the society. Access to the property is from W. Live Oak Street. The surrounding zoning is C-1 to the east, west and south, and property to the north is outside the city limits. Surrounding land uses include commercial to the south, residential to the west and east, and undeveloped land to the north.

Recommendation:

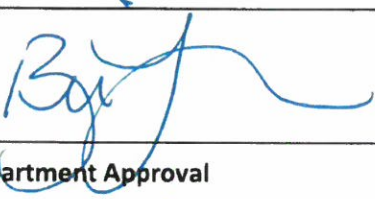
The Planning and Zoning Commission voted unanimously to recommend approval of the Conditional Use Permit. No comments have been submitted in support or opposition of this request.

Background / Analysis:

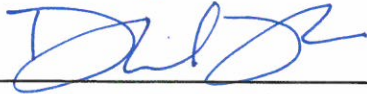
The existing use of the property has been established for a number of years and we do not expect the additional building area will have an effect on adjacent properties.

Attachments:

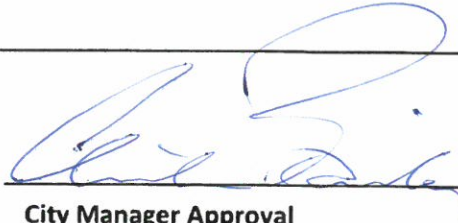
Maps of Area, Staff Brief, Property owner list



Department Approval



City Attorney Approval



City Manager Approval

CONDITIONAL USE PERMIT BRIEF

Request Z-1916

Applicant: St. Vincent DePaul Society
Location: W. Live Oak Street
Existing Zoning: C-1, Neighborhood Commercial
Request: Conditional Use Permit to expand a Non-conforming use

Site Plan Overview:

- The applicant is proposing to add approximately 2,500 square feet to the rear of the existing building.
- Section 6.110 of the Zoning Ordinance requires a Conditional Use Permit for the expansion of a non-conforming use in a commercial zoning district.
- The site is approximately 1.8 acres, including the two lots owned by the society.
- Access to the property is from W. Live Oak Street.
- The surrounding zoning is C-1 to the east, west and south, and property to the north is outside the city limits.
- Surrounding land uses include commercial to the south, residential to the west and east, and undeveloped land to the north.

Review and Evaluation Criteria:

A. CONFORMANCE WITH APPLICABLE REGULATIONS:

- The site has been designed to comply with applicable regulations.

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

- The existing use of the property has been established for a number of years and we do not expect the additional building area will have an effect on adjacent properties.

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

- We do not anticipate unfavorable effects on adjoining properties from this use.

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

- None.

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

- Drive access into this property will remain on Live Oak Street. Circulation is being modified for vehicles using the rear of the site to exit on the adjoining lot owned by the society.

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

- NA

G. LOCATION OF LIGHTING AND TYPE OF SIGNS; THE RELATION OF SIGNS TO TRAFFIC CONTROL AND ADVERSE EFFECTS OF SIGNS ON ADJACENT PROPERTIES:

- No specific detail provided on exterior lighting. All exterior lighting shall be shielded and ordinance compliant.

H. ADEQUACY AND CONVENIENCE OF OFF STREET PARKING AND LOADING FACILITIES:

- Sufficient parking is provided based on the code. The parking is located to the rear, side and front of the building.

I. DETERMINATION THAT THE PROPOSED USE IS IN ACCORDANCE WITH THE OBJECTIVES OF THESE ZONING REGULATIONS AND PURPOSES OF THE ZONE IN WHICH THE SITE IS LOCATED:

- The subject property was rezoned to commercial with the intent to expand the existing business.

J. DETERMINATION THAT THE PROPOSED USE WILL COMPLY WITH EACH OF THE APPLICABLE PROVISIONS OF THE ZONING ORDINANCE:

- Affirmative.

K. DETERMINATION THAT THE PROPOSED USE AND SITE DEVELOPMENT, TOGETHER WITH ANY MODIFICATIONS APPLICABLE, THERETO, WILL BE COMPATIBLE WITH EXISTING OR PERMITTED USES IN THE VICINITY:

- Affirmative.

L. DETERMINATION THAT ANY CONDITIONS APPLICABLE TO APPROVAL ARE THE MINIMUM NECESSARY TO MINIMIZE POTENTIALLY UNFAVORABLE IMPACTS ON NEARBY USES AND TO ENSURE COMPATIBILITY OF THE PROPOSED USE WITH EXISTING OR PERMITTED USES IN THE SAME DISTRICT AND THE SURROUNDING AREA:

- No additional changes are recommended.

M. DETERMINATION THAT THE PROPOSED USE TOGETHER WITH THE CONDITIONS APPLICABLE THERETO, WILL NOT BE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, OR WELFARE OR MATERALLY INJURIOUS TO PROPERTIES OR IMPROVEMENTS IN THE VICINITY:

- No additional changes are recommended.

OPPOSITION/SUPPORT OF REQUEST: No comments received to date.

PLANNING AND ZONING COMMISSION RECOMMENDATION: The Commission voted unanimously to recommend approval of the Conditional Use Permit.

STAFF RECOMMENDATION: Approval is recommended.

VOL. 186, PG. 11-14 D.R.

This Lot is zoned C-1: Neighborhood Commercial

ACTUAL:		REQUIRED:	
30,483 ± ft ²	Min. Lot Area	7,500 ± ft ²	
106.5 ft. (Avg.)	Min. Lot Width	70.0 ft.	
As Shown	Min. Building Height - 3 stories, 38 ft.		
As Shown	Min. Front Setback	25.0'	
As Shown	Min. Interior Setbacks	5.0'	
As Shown	Min. Rear Setback	10.0'	
26,527 ± ft ² , 68%	Max. Impervious Cover	70%	
11,750 ± ft ² , 31%	Max. Bldg. Cov. % of Lot	50%	

PARKING:

General Retail

Minimum Off-Street Parking Requirement is 1 space per 400 s.f..

11,500 s.f. 400 = 29 Required Spaces

33 Parking Spaces are provided.

(Includes 2 ADA Spaces)

3. All exterior lighting shall be shielded and ordinance compliant.

LOT "B"

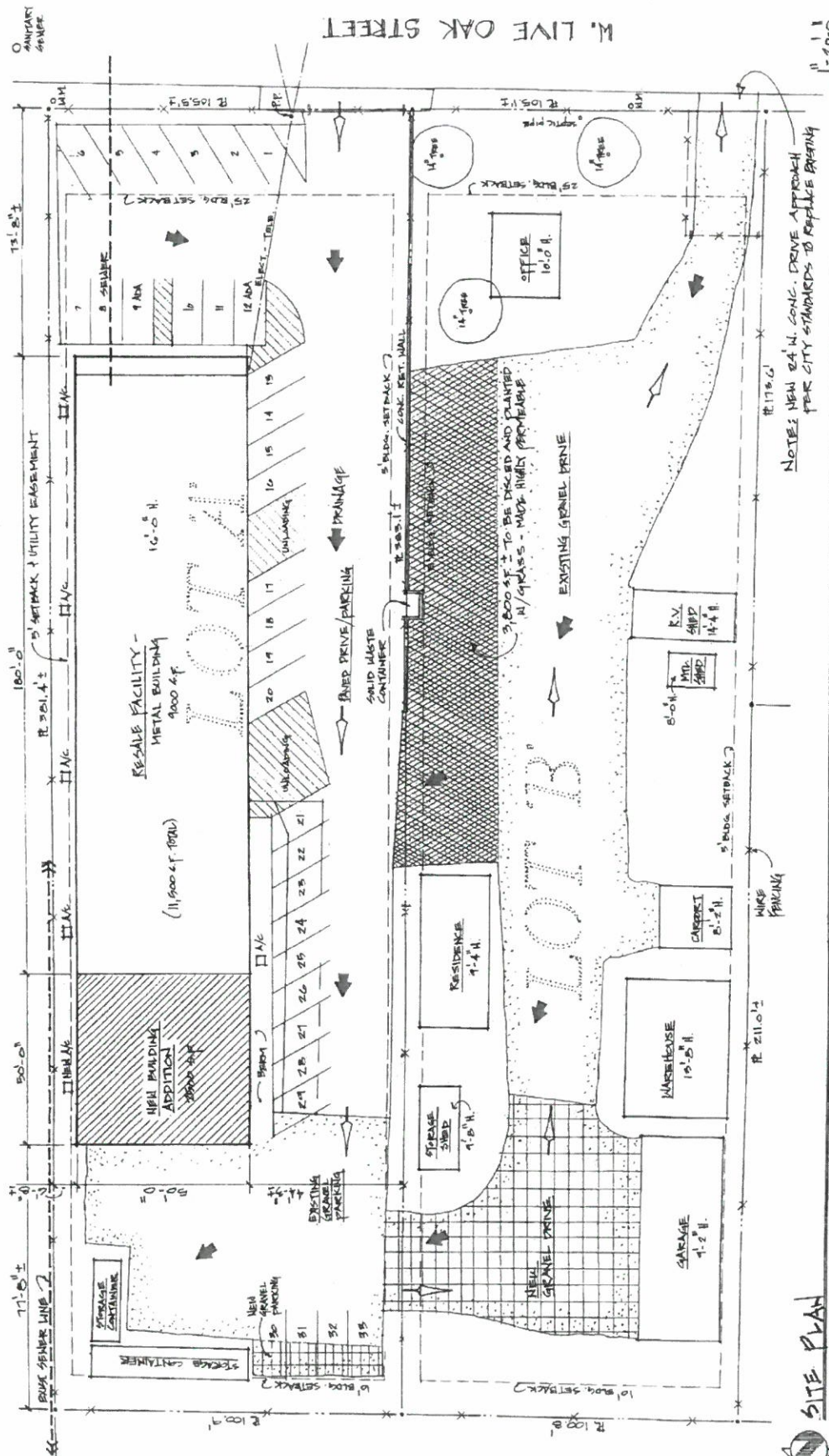
0.91 ac. Tract
INSTRUMENT NO 20123912 O.P.R.

This Lot is zoned C-1: Neighborhood Commercial

ACTUAL:		REQUIRED:	
Lot Area	40,283 s.f.	Min. Lot Area	7,500 s.f.
Width	105 ft. (Avg.)	Min. Lot Width	70 ft.
Building Heights - As Shown			
Front Setback	Scale	Max. Building Height -	3 stories, 38 ft.
Interior Side Setbacks	Scale	Min. Front Setback	25 ft.
Rear Setback	Scale	Min. Interior Setbacks	5 ft.
Impervious Cover	5,269 s.f., 13%	Min. Rear Setback	10 ft.
Driveway Coverage	5,620 s.f., 13%	Max. Impervious Cover	70%
		Max. Bldg. Cov. % of lot	50%

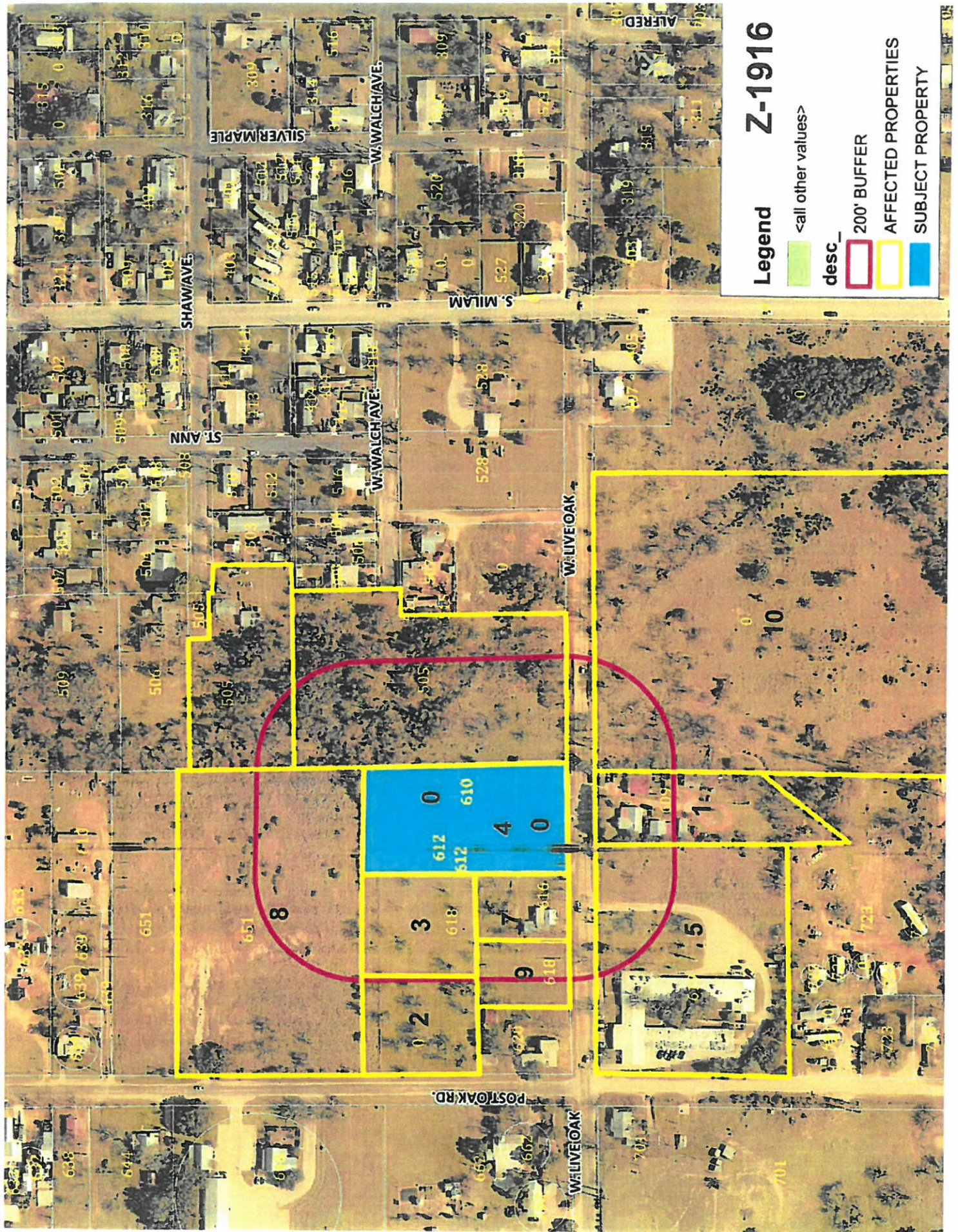
M. LIVE OAK STREET

NOTE: NEW 24" W. CONC. DRIVE APPROACH
PER CITY STANDARDS TO REPLACE EXISTING



SITE PLAN

MAP SHOWING THE IMPROVEMENTS AND PROPOSED CHANGES ON TWO TRACTS OF LAND, SHOWN AS LOTS "A" AND "B", BEING PARTS OF GERMAN EMIGRATION COMPANY OUTLOT NO. 97, SITUATED IN THE CITY OF FREDERICKSBURG, GUILDFORD COUNTY, TEXAS, AS OWNED BY THE ST. VINCENT DE PAUL SOCIETY OF ST. MARY'S CHURCH



Letter	Owner	Address
1	GUS & JACQUELYN RIOS	P.O. BOX 742 FREDERICKSBURG, TX 78624
2	ADOLPH BERNHARD JR	1327 ECKERT RD WILLOW CITY, TX 78675-8505
3	YVONNE KLAERNER	701 W. LIVE OAK FREDERICKSBURG, TX 78624
4	ST. VINCENT DE PAUL SOCIETY	610 W. LIVE OAK FREDERICKSBURG, TX 78624
5	TRISTAR ESTATES LLC	1304 RIVER FOREST COVE ROUND ROCK, TX 78665-5600
6	WAYNE DUECKER	505 SHAW AVE FREDERICKSBURG, TX 78624
7	PAUL EDWARD	10378 N. RANCH ROAD 965 FREDERICKSBURG, TX 78624
8	KEITH KELLER & JAMES KEMP	P.O. BOX 393 FREDERICKSBURG, TX 78624
9	YVONNE KLAERNER	701 W. LIVE OAK FREDERICKSBURG, TX 78624
10	MARY LOU HOERSTER	410 W. WINDCREST FREDERICKSBURG, TX 78624
11	LUIS HERRERA	514 SILVER MAPLE FREDERICKSBURG, TX 78624
Z-1916 - St. Vincent's De Paul		



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: : Public Hearing to consider an amendment to the Low Density Residential Land Use Category of the Comprehensive Plan, and consider zoning on approximately 117.1 acres of land located on the south side of West Live Oak Street in the area of Post Oak Road and Smokehouse Lane.

Summary:

The subject property consists of approximately 117.1 acres of land located on the south side of W. Live Oak Street, extending from the city limit line near Post Oak Road to west of Smokehouse Road (see attached map). The City has initiated the annexation of this area as directed by the City Council. Public Hearings on the annexation are scheduled for October 7 and 21, 2019. The property is characterized by a mix of residential homes and small commercial businesses. There are a number of properties that are undeveloped in this area as well. As part of the annexation, the City will be required to extend utilities to serve the properties. This information is being included in a Service Plan that will be considered by the City Council. Surrounding property located within the City Limits is zoned R-1 and R-1A to the west and south, R-2 to the southeast, and C-1 to the east (see attached zoning map). The Land Use Plan identifies the subject property and surrounding property as Low Density Residential.

Recommendation:

The Planning and Zoning Commission voted unanimously to recommend approval to change the Land Use Plan as follows:

1. Change the area east of Post Oak Road from Low Density Residential to Commercial, and
2. Change the first two tracts west of Post Oak Road from Low Density Residential to High Density Residential.

Establish the zoning on this area as follows:

1. C1 – Neighborhood Commercial on the area east of Post Oak Road.
2. R-3, Multi-Family Residential on the two tracts west of Post Oak Road.
3. R-1, Single Family Residential zoning on the remaining tracts over to Smokehouse Road, and
4. R-1A, Single Family Residential – Small Lot on the tracts west of Smokehouse Road.

No written comments received to date. There were two individuals who own property within the area being annexed who made requests for zoning on their particular property.

Background / Analysis:

There are a total of 27 tracts and 22 different property owners involved in the proposed annexation of this area. Letters were sent to all property owners within the area in accordance with state law. In addition, letters were sent to property owners within the area, as well as property owners within 200' of the area, for the consideration of the zoning.

Attachments:

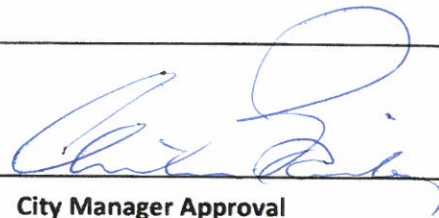
Maps of Area, Staff Brief, Property owner list



Department Approval



City Attorney Approval



City Manager Approval

ZONING CHANGE BRIEF

Rezoning Request # Z-1917

- APPLICANT:** City of Fredericksburg
- LOCATION:** W. Live Oak Street, generally between Post Oak Road and Smokehouse Road
- EXISTING ZONING:** NA (outside city limits)
- PROPOSED REQUEST:**
- 1) Consider an amendment to the Low Density Residential Land Use Category of the Comprehensive Plan, and
 - 2) Consider zoning on said property.

FINDINGS:

- The subject property consists of approximately 117.1 acres of land located on the south side of W. Live Oak Street, extending from the city limit line near Post Oak Road to west of Smokehouse Road (see attached map).
- The City has initiated the annexation of this area as directed by the City Council. Public Hearings on the annexation are scheduled for October 7 and 21, 2019.
- The property is characterized by a mix of residential homes and commercial businesses. There are a number of properties that are undeveloped in this area as well.
- As part of the annexation, the City will be required to extend utilities to serve the properties. This information is being included in a Service Plan that will be considered by the City Council.
- Surrounding property located within the City Limits is zoned R-1 and R-1A to the west and south, R-2 to the southeast, and C-1 to the east (see attached zoning map).
- The Land Use Plan identifies the subject property and surrounding property as Low Density Residential.

LAND USE PLAN: The Land Use Plan identifies the subject property to be Low Density Residential. As defined in the Comprehensive Plan, this definition is representative of traditional, single-family detached dwelling units. Low density residential accounts for the largest percentage of residential development in Fredericksburg today and will continue to do so with the development shown on the "Future Land Use Map". The areas designated for low density residential land use are generally not adjacent to major thoroughfares or incompatible land uses, and are in proximity to existing single-family residential land use. Within these areas, the City should encourage a range of lot sizes and housing types in order to promote increased housing diversity and affordability.

While we believe this land use category may be appropriate for the land in the western portion of the area, it is our opinion that some portion of the area extending west of Post Oak Road may be reasonable to consider for higher density residential for uses such as apartments, duplexes, condominiums, townhomes or the like. The Medium Density Residential land use category is characterized by single family dwellings on smaller lots and attached dwelling units such as duplex units and townhomes. Medium density land uses often provide housing for "empty nesters" who may not want the maintenance of a large-lot single family home, and for young families who may find a townhome or duplex more affordable than a single family home. These residential uses can provide a buffer between lower density residential areas and more intensive residential, non-residential or mixed use areas.

Since the small area east of Post Oak Road being proposed for annexation is surrounded by C1, Neighborhood Commercial zoning, it would be our recommendation to designate this area as commercial.

ZONING: As for the area east of Post Oak Road currently surrounded by C-1, Neighborhood Commercial zoning, we would recommend the same C1 zoning. It was suggested by staff that the remaining area, in our opinion, should start with an R-2, Mixed Residential zoning extending from Post Oak Road west to align with the existing R-2 zoning to the south, with the remaining area over to Smokehouse Road being R-1, Single Family Residential. The land owner to the west of Post Oak Road made a request of the Commission that they consider an R-3 zoning rather than R-2. The area west of Smokehouse Road and south of W. Live Oak Street and adjacent to The Beginning Subdivision would be appropriate for R-1A Small Lot Residential to serve as an extension of the existing zoning.

OPPOSITION/SUPPORT OF REQUEST: No written comments received to date. There were two individuals who own property within the area being annexed who made requests for zoning on their particular property.

PLANNING AND ZONING COMMISSION RECOMMENDATION: The Commission voted unanimously to recommend the following:

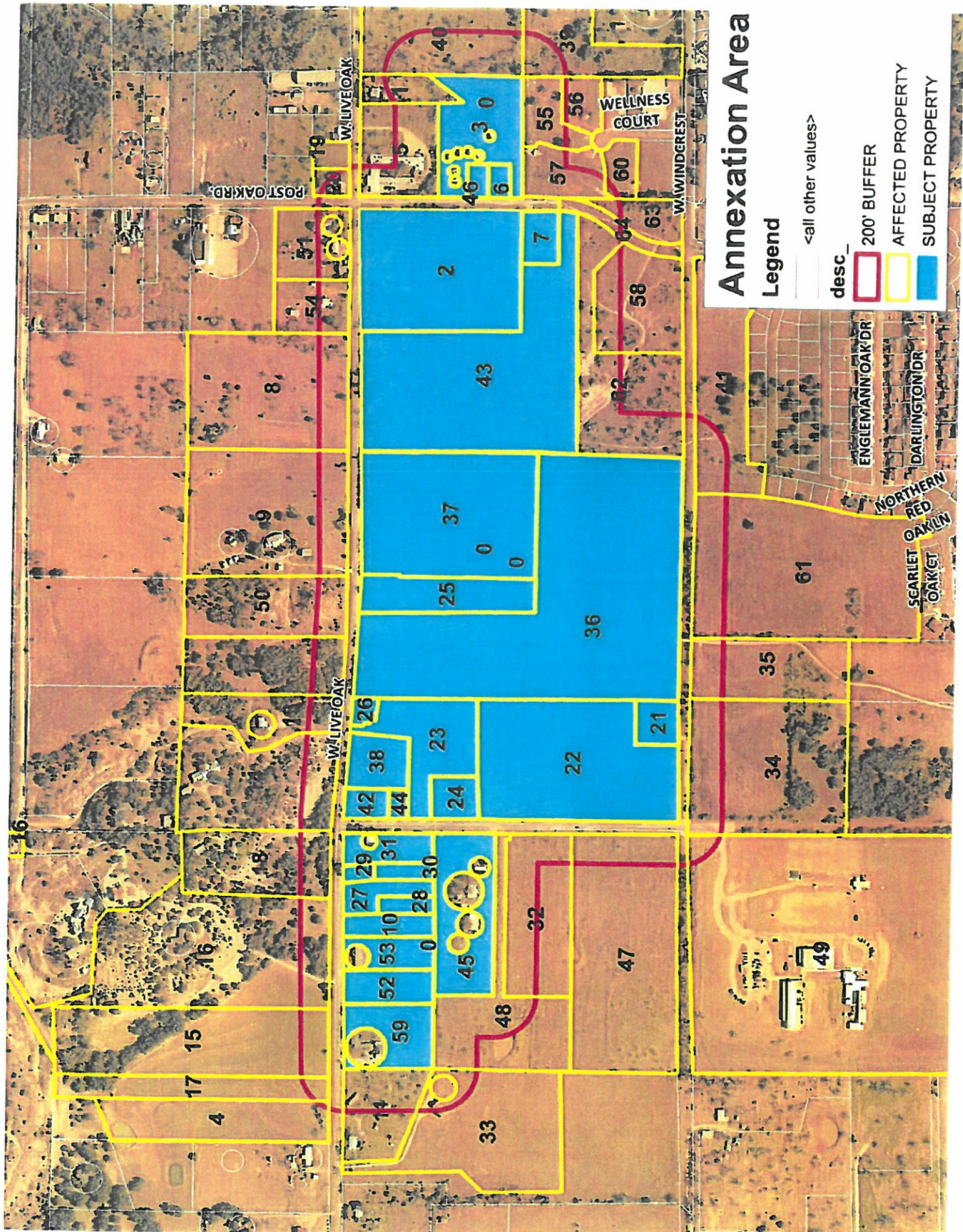
Approval to change the Land Use Plan as follows:

1. Change the area east of Post Oak Road from Low Density Residential to Commercial, and
2. Change the first two tracts west of Post Oak Road from Low Density Residential to High Density Residential.

Establish the zoning on this area as follows:

1. C1 – Neighborhood Commercial on the area east of Post Oak Road.
2. R-3, Multi-Family Residential on the two tracts west of Post Oak Road.
3. R-1, Single Family Residential zoning on the remaining tracts over to Smokehouse Road, and
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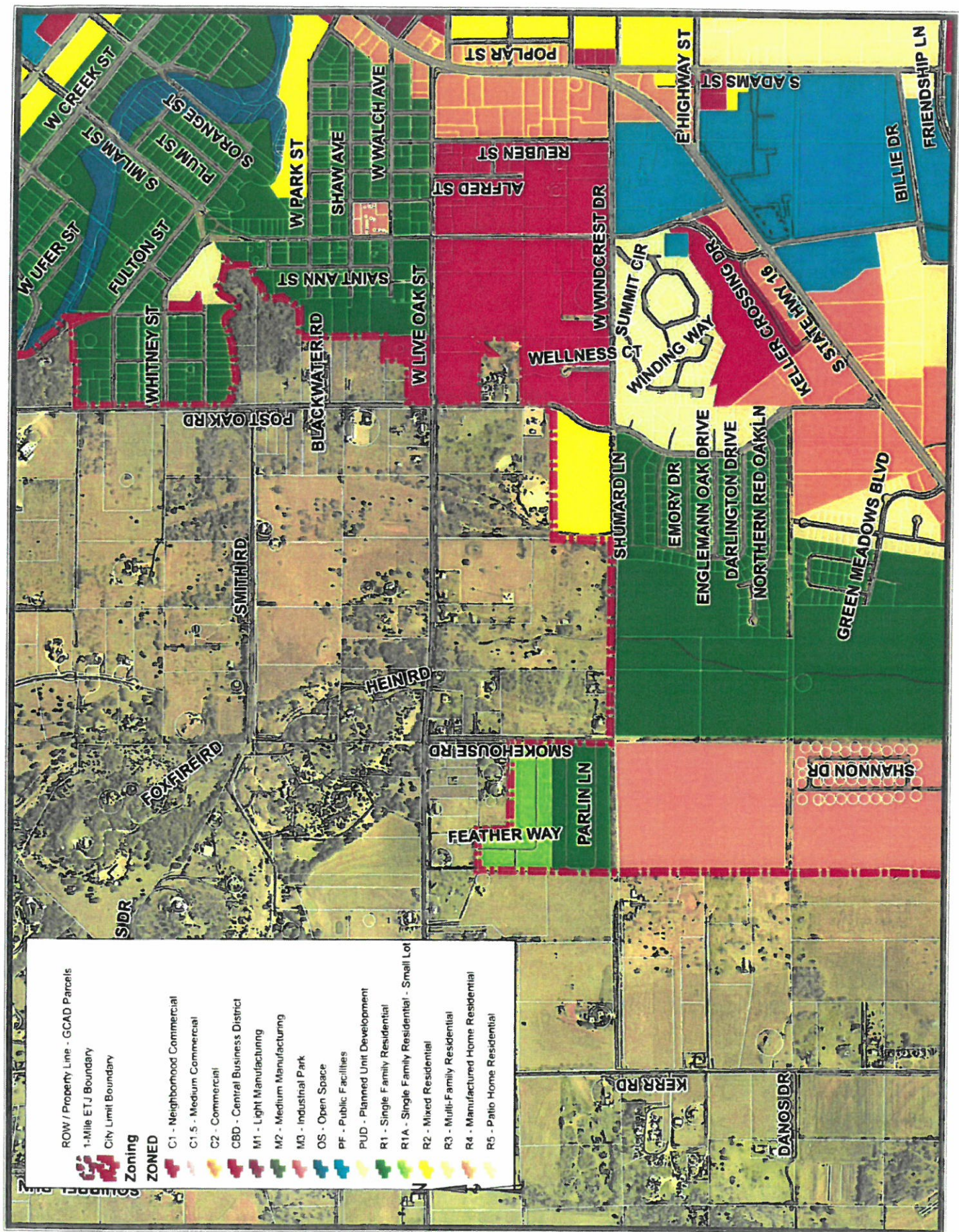
STAFF RECOMMENDATION: Staff concurs with the Commission's recommendation.

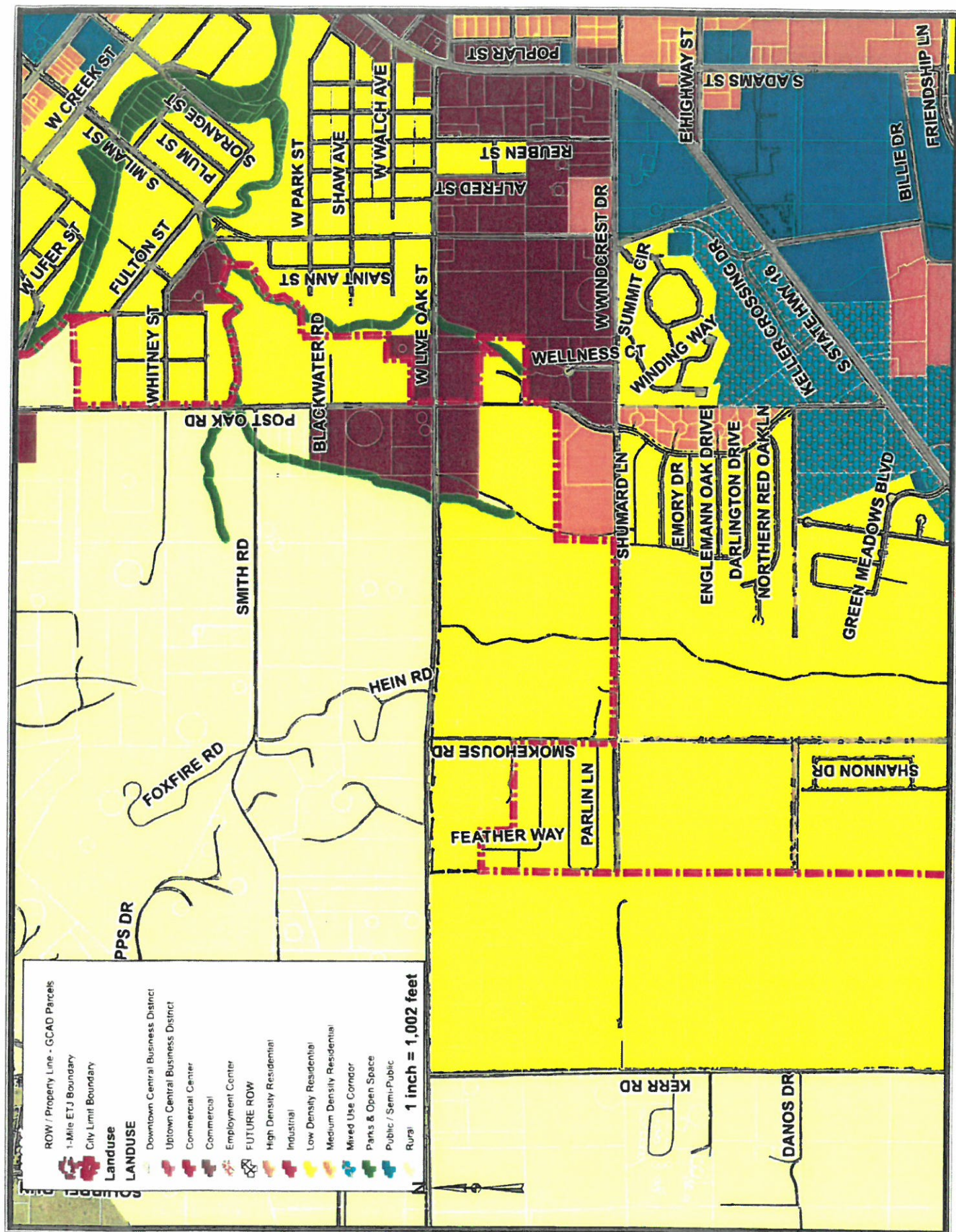


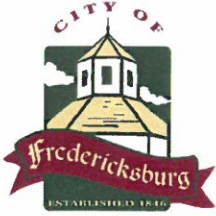
Letter	Owner	Address
1	GUS & JACQUELYN RIOS	P.O. BOX 742 FREDERICKSBURG, TX 78624
2	YVONNE KLAERNER	701 W. LIVE OAK FREDERICKSBURG, TX 78624
3	JAMES LOYD BROWN	644 POST OAK RD FREDERICKSBURG, TX 78624
4	CAROL KRAUS	894 SMITH RD FREDERICKSBURG, TX 78624
5	TRISTAR ESTATES LLC	1304 RIVER FOREST COVE ROUND ROCK, TX 78665
6	JAMES LOYD BROWN	644 POST OAK RD FREDERICKSBURG, TX 78624
7	CENTRAL TEXAS ELEC COOP INC	P.O. BOX 553 FREDERICKSBURG, TX 78624
8	WAYNE & PRICILLA MURPHY	894 W. LIVE OAK FREDERICKSBURG, TX 78624
9	WAYNE & PRICILLA MURPHY	894 W. LIVE OAK FREDERICKSBURG, TX 78624
10	ALVINO & VALENTINA SALINAS	206 SHAW AVE FREDERICKSBURG, TX 78624
11	KATHYLEEN M MURPHY	1405 W. LIVE OAK FREDERICKSBURG, TX 78624
12	WAYNE & PRICILLA MURPHY	894 W. LIVE OAK FREDERICKSBURG, TX 78624
13	WAYNE & PRICILLA MURPHY	894 W. LIVE OAK FREDERICKSBURG, TX 78624
14	JAMES & MISTY ROEDER	83 HEIN RD FREDERICKSBURG, TX 78624
15	ELLA MAE HERBER	1262 W. LIVE OAK FREDERICKSBURG, TX 78624
16	ELLA MAE HERBER	1262 W. LIVE OAK FREDERICKSBURG, TX 78624
17	ELLA MAE HERBER	1262 W. LIVE OAK FREDERICKSBURG, TX 78624
18	REGINALD & CAROL ANN WILLIS	1130 W. LIVE OAK FREDERICKSBURG, TX 78624
19	YVONNE KLAERNER	701 W. LIVE OAK FREDERICKSBURG, TX 78624
20	JERREL RAY & HELEN USENER	620 W. LIVE OAK FREDERICKSBURG, TX 78624
21	JAMES E JR & DONNA STRICKLAND	409 SMOKEHOUSE RD FREDERICKSBURG, TX 78624
22	DANIEL W & JILL ELLIOTT	271 SMOKEHOUSE RD FREDERICKSBURG, TX 78624
23	STEPHEN F & ELIZABETH M HARRIS	77 SMOKEHOUSE RD FREDERICKSBURG, TX 78624
24	CARMEN MARTINEZ LIFE ESTATE	P.O. BOX 915 FREDERICKSBURG, TX 78624
25	EDWARD RODE	911 W. LIVE OAK ST FREDERICKSBURG, TX 78624
26	MARIA GUADALUPE GAMEZ ROSA	1017 W. LIVE OAK FREDERICKSBURG, TX 78624
27	ALVINO & VALENTINA SALINAS	206 SHAW AVE FREDERICKSBURG, TX 78624
28	MARCUS SALINAS	1145 W. LIVE OAK FREDERICKSBURG, TX 78624
29	JOE M SALINAS JR	P.O. BOX 66 FREDERICKSBURG, TX 78624
30	JOE M SALINAS JR	P.O. BOX 66 FREDERICKSBURG, TX 78624
31	EUSEBIO M SALINAS JR	1129 W. LIVE OAK ST FREDERICKSBURG, TX 78624
32	BARTREI PROPERTIES LLC	609 S. SCHUBERT FREDERICKSBURG, TX 78624
33	TROY SIFFORD	1429 W. LIVE OAK FREDERICKSBURG, TX 78624

34	BRT RESOURCES LLC	1250 NE LOOP 410 STE 333 SAN ANTONIO, TX
35	BRT RESOURCES LLC	1250 NE LOOP 410 STE 333 SAN ANTONIO, TX
36	BRT RESOURCES LLC	1250 NE LOOP 410 STE 333 SAN ANTONIO, TX
37	DIANE SMITH KUYKENDALL	2117 N FIEDLER RD FREDERICKSBURG, TX 78624
38	CORINA GRANADO	P.O. BOX 2486 FREDERICKSBURG, TX 78624
39	MARY LOU HOERSTER	410 W. WINDCREST FREDERICKSBURG, TX 78624
40	MARY LOU HOERSTER	410 W. WINDCREST FREDERICKSBURG, TX 78624
41	OAKS OF WINDCREST LP	4109 FRONT RANGE LN AUSTIN, TX
42	GUADALUPE ALBITER	1103 W LIVE OAK FREDERICKSBURG, TX 78624
43	CSE COMMERCIAL REAL ESTATED LP	4956 N O'CONNOR RD IRVING, TX
44	RANULFO ARELLANO ARIAS LIFE ESTATE	45 SMOKEHOUSE RD FREDERICKSBURG, TX 78624
45	LILI GUZMAN WEBE	134 SMOKEHOUSE RD FREDERICKSBURG, TX 78624
46	JAMES LOYD BROWN	644 POST OAK RD FREDERICKSBURG, TX 78624
47	STONEWALL DEVELOPMENT LLC	309 SPANISH RD BOERNE, TX 73958
48	BARTREI PROPERTIES LLC	609 S. SCHUBERT FREDERICKSBURG, TX 78624
49	HERITAGE FAMILY SCHOOL	P.O. BOX 1217 FREDERICKSBURG, TX 78624
50	WAYNE & PRICILLA MURPHY	894 W. LIVE OAK FREDERICKSBURG, TX 78624
51	STEVE & BEVERLY ALLEN REVOCABLE TRUST	662 POST OAK RD FREDERICKSBURG, TX 78624
52	CARMEN MARIE ZAMBRANO	1235 W. LIVE OAK FREDERICKSBURG, TX 78624
53	CARMEN MARIE ZAMBRANO	1235 W. LIVE OAK FREDERICKSBURG, TX 78624
54	TIMOTHY & LARA BOBO	714 W. LIVE OAK FREDERICKSBURG, TX 78624
55	C2 FBG LLC	1174 FUNF KINDER FREDERICKSBURG, TX 78624
56	C2 FBG LLC	1174 FUNF KINDER FREDERICKSBURG, TX 78624
57	CITY OF FREDERICKSBURG	126 W. MAIN FREDERICKSBURG, TX 78624
58	ACRON WINDCREST VILLAGE LLC	16200 DALLAS PKWY STE 245 DALLAS, TX
59	BRADLEY MICHAEL HOWARD	1313 W. LIVE OAK FREDERICKSBURG, TX 78624
60	C2 FBG LLC	1174 FUNF KINDER FREDERICKSBURG, TX 78624
61	10-8 PROPERTIES LLC	5484 W. US HWY 290 FREDERICKSBURG, TX 78624
62	ACRON WINDCREST VILLAGE LLC	16200 DALLAS PKWY STE 245 DALLAS, TX
63	ACRON WINDCREST VILLAGE LLC	16200 DALLAS PKWY STE 245 DALLAS, TX
64	CITY OF FREDERICKSBURG	126 W. MAIN FREDERICKSBURG, TX 78624

Z-1917 - Annexation Area 6







CITY COUNCIL MEMO

DATE: October 15, 2019

TO: Mayor and City Council

FROM: Anna Hudson, Historic Preservation Officer

SUBJECT: Postponement of Landmark Designation of Old High School Building

Summary:

The Fredericksburg Independent School District is in contract negotiations with a new architectural firm to produce a master plan for the Middle School campus. Huckabee Architects, LLC has experience working with historic schools and has been made aware of the importance of the Old College and Old High School buildings on the Middle School Campus.

Recommendation

Postpone landmark designation of the Old High School building until the new architecture firm has been hired and familiarized with the Middle School Campus.

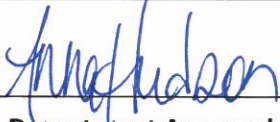
Background / Analysis:

The Fisd Middle School Campus currently has one landmarked property, the Old College Building (Building 300). The Old High School Building was identified as being eligible for the National Register and local landmark designation as part of the 2018 Historic Resources Survey. City Council expanded the historic district in June of 2019 and decided not to include the Middle School Campus with the understanding that the Old High School could be protected by designating it as a local historic landmark. The Historic Review Board voted unanimously to designate the "old high school building" at 110 W Travis (building 400) and the parcel. The Fisd Board is in support of designation with a 5' buffer, but not the entire parcel. At the HRB meeting Staff recommended a 25' buffer.

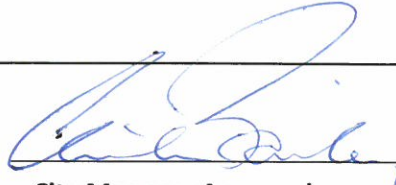
Members of City Council, City Staff, FISD Superintendent, and members of FISD Board met on October 1, 2019, to discuss the status of the master plan for the Middle School Campus. It was generally agreed that the designation should take place once the new architecture firm is on board.

Attachments:

1. Email from Dr. Brasher



Department Approval



City Manager Approval



City Attorney Approval

To: Kent Myers <kmyers@fbgtx.org>

Subject: Fisd and Historical Designation

Mr. Myers,

Thank you for the call today. Fisd supports the City of Fredericksburg holding off on the designation of the 300 building on the FMS campus until the new architect Huckabee is approved officially by the board.

Sincerely,

Jeffrey L. Brasher, Ed.D.

Superintendent, Fredericksburg ISD

(830) 997-9551

To: Kent Myers <kmyers@fbgtx.org>
Subject: FISD and Historical Designation

Mr. Myers,

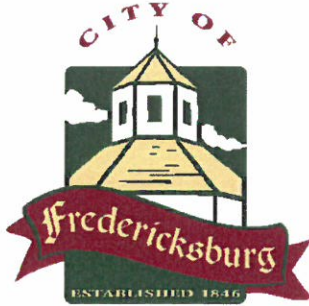
Thank you for the call today. FISD supports the City of Fredericksburg holding off on the designation of the 300 building on the FMS campus until the new architect Huckabee is approved officially by the board.

Sincerely,

Jeffrey L. Brasher, Ed.D.

Superintendent, Fredericksburg ISD

(830) 997-9551



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

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

SUBJECT: Consideration of Parking Lot Lease Agreement

Summary:

This item is for the consideration of approving a lease between the City of Fredericksburg and Poarch Realty, for the use of a parking lot located at 108 East San Antonio Street for the use of public parking.

Recommendation:

City Staff recommends approval of the proposed lease agreement.

Background / Analysis:

The parking lot located at 108 East San Antonio Street is owned by Poarch Realty Investments, LP. The parking lot is approximately 0.75 acres in size, consists of an improved asphalt surface with a total of 74 parking spaces and has access points located both on East San Antonio Street and South Llano Street.

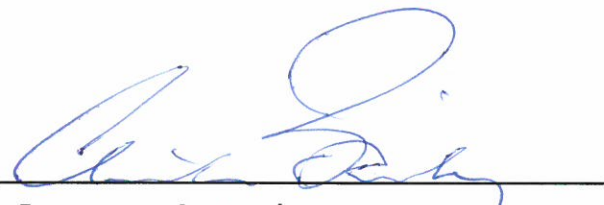
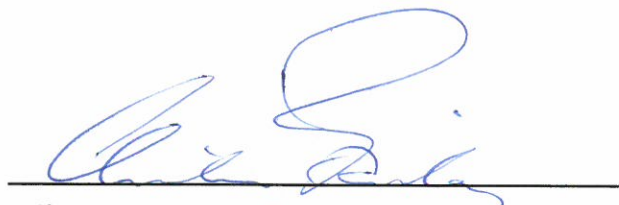
Over the past decade, the City of Fredericksburg had an unofficial agreement with the owners of the parking lot to allow for the public use of the parking lot during specific days and times throughout the week. The parking lot was once utilized by CHASE Bank employees but in recent years has only been used by the public and Holy Ghost Lutheran Church.

Under the proposed 2-year lease agreement, in lieu of a rental payment the City would be responsible for the following costs:

1. Initial Repairs to Parking Lot – These repairs include asphalt patching, application of single-course chip seal, restriping, repairs to concrete curbs, repair of poles and repairs to existing planter beds. The total cost of these repairs is approximately \$7,000.
2. Routine Repairs and Maintenance – These repairs and routine maintenance include repairs as a result of wear and tear from normal occupancy. The total cost of repairs and maintenance is estimated to be approximately \$500 annually.
3. Payment of Property Taxes – In 2018 the total property taxes for this property was approximately \$9,000.

The parking lot provides quick access to Main Street, area businesses and churches and is heavily used both during the week and on weekends by both residents and visitors.

Attachments: Proposed lease agreement


Department Approval
City Manager Approval
City Attorney Approval

LEASE AGREEMENT
for
PUBLIC USE PARKING LOT

This Lease Agreement (“Agreement”) is made and entered into this 21st day of October, 2019, by and between the City of Fredericksburg, Texas (“Lessee”), and Poarch Realty Investments, LP (“Lessor”).

ARTICLE 1. DEMISE, DESCRIPTION, USE AND TERM

1.01. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain commercial parking lot property situated in the City of Fredericksburg, Gillespie County, Texas, located at 108 East San Antonio Street (the “Leased Premises”), and described as follows:

The parking lot located on approximately 0.75 acre of land, more or less, situated in the City of Fredericksburg, Gillespie County, Texas; said 0.75 acre tract of land is more particularly designated on the map in Exhibit “A”, a copy of which is attached hereto and made a part hereof.

The Leased Premises are to be used by Lessee as a public parking lot, for the term commencing on October 21, 2019, and ending on September 30, 2021, unless terminated earlier as hereinafter provided. Lessee may only use and occupy the Leased Premises for a non-commercial use.

ARTICLE 2. RENT

2.01. In lieu of a rental payment, and as compensation for Lessee’s occupancy and use of the Leased Premises, Lessee agrees to repair and maintain the parking lot surface and appurtenances on the Leased Premises, at Lessee’s sole cost and expense during the term of this Agreement, as follows:

- a. initial necessary repairs to the Leased Premises to include patching, chip seal application, and restriping of the parking lot surface; repairs to concrete curbs and poles; and repairs to existing plant beds; and
- b. routine repairs of the Leased Premises where damaged or worn through normal occupancy; and
- c. routine maintenance of the Leased Premises.

ARTICLE 3. Intentionally Deleted

ARTICLE 4. TAXES AND ASSESSMENTS

4.01. Lessee shall pay and discharge all property taxes, if any, assessed during the term of this Agreement against the portion of the Leased Premises occupied by Lessee.

ARTICLE 5. INSURANCE

5.01. Lessee shall maintain a policy of comprehensive general liability insurance, at Lessee's sole expense, with respect to the activities of Lessee upon the Leased Premises, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Lessor shall be listed as an additional insured on Lessee's policy or policies of comprehensive general liability insurance.

ARTICLE 6. UTILITIES

6.01. Lessee shall pay all charges for all utilities used by Lessee in or on the Leased Premises during the term of this Agreement.

ARTICLE 7. WASTE AND NUISANCE

7.01. Lessee shall not commit, or suffer to be committed, any waste on the Leased Premises, nor shall Lessee maintain, commit, or permit the maintenance or commission of any nuisance on the Leased Premises or use the Leased Premises for any unlawful purpose.

ARTICLE 8. IMPROVEMENTS, REPAIRS AND MAINTENANCE

8.01. Lessee shall, at Lessee's expense:

(A) keep the Leased Premises as clean and sanitary as the condition of the premises permits;

(B) not permit any person on the premises, with Lessee's permission, to willfully or wantonly destroy, deface, damage, impair, or remove any part of the Leased Premises or the facilities, equipment, or appurtenances thereto;

(C) abide by all laws, regulations and ordinances of any governmental authority having jurisdiction over the Leased Premises;

(D) make all repairs and perform all maintenance to the Leased Premises

other than those expressly imposed on Lessor herein, with all repairs performed by trained, qualified and insured repair persons.

ARTICLE 9. ALTERATIONS, IMPROVEMENTS AND FIXTURES

9.01. Any and all alterations, additions, improvements, and fixtures (except trade fixtures which Lessee shall be permitted to remove from the Leased Premises), made or placed in or on the Leased Premises, shall on expiration or sooner termination of this Agreement, belong to Lessor without compensation to Lessee.

ARTICLE 10.
Intentionally Deleted

ARTICLE 11.
Intentionally Deleted

ARTICLE 12.
Intentionally Deleted

ARTICLE 13. DEFAULT AND TERMINATION

13.01. If Lessee shall remain in default under any condition of this Agreement for a period of ten (10) calendar days after written notice from Lessor to Lessee, or if the default is of such a nature as to be incapable of cure within ten (10) days and same has not been cured within a reasonable time after written notice from Lessor to Lessee, Lessor may, at Lessor's option and without notice to Lessee, terminate this Agreement.

13.02. If Lessor shall remain in default under any condition of this Agreement for a period of ten (10) calendar days after written notice from Lessee to Lessor, or if the default is of such a nature as to be incapable of cure within ten (10) days and same has not been cured within a reasonable time after written notice from Lessee to Lessor, Lessee may elect to: (1) terminate this Agreement; or (2) remedy such default at Lessee's expense.

13.03. Either party may terminate this Agreement early, at any time for any reason or no reason, upon thirty (30) days prior written notice to the other party. If Lessor terminates this Agreement pursuant to this Section 13.03, Lessor shall pay to Lessee, within thirty (30) days of termination, a prorated share of the actual costs incurred by Lessee in performing the initial necessary repairs to the Leased Premises set forth in Section 2.01(a) of this Agreement. Such proration shall be calculated by multiplying the total number of calendar days from the date of termination to September 30, 2021, by a

fraction, the numerator of which shall be the actual costs incurred by Lessee in performing the initial necessary repairs to the Leased Premises, and the denominator of which shall be seven-hundred and ten (710).

ARTICLE 14. INSPECTION BY LESSOR

14.01. Lessee shall permit Lessor and Lessor's agents to enter into and upon the Leased Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining or making repairs or alterations.

ARTICLE 15. Intentionally Deleted

ARTICLE 16. INDEMNITY

16.01. TO THE EXTENT ALLOWED BY TEXAS LAW, LESSEE AGREES TO INDEMNIFY AND HOLD LESSOR HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES FOR THE DEFENSE THEREOF, ARISING FROM THE LESSEE'S USE OR OCCUPANCY OF THE LEASED PREMISES, OR FROM ANY NEGLIGENT ACT OR OMISSION OF LESSEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, CONCESSIONAIRES, INVITEES, OR LICENSEES IN OR ABOUT THE LEASED PREMISES. NOTHING HEREIN SHALL BE CONSTRUED TO INDEMNIFY LESSOR FROM LESSOR'S OWN NEGLIGENCE.

16.02. The relationship between Lessor and Lessee shall at all times remain solely that of the Lessor and Lessee, and shall not be deemed a partnership or joint venture.

ARTICLE 17. MISCELLANEOUS

17.01. Any notice or communication hereunder must be in writing, and shall be deemed to have been given when delivered to and actually received by the party to whom it is addressed. Such notices or communications shall be given to the parties hereto at the following addresses:

LESSEE:

City of Fredericksburg
Attention: City Manager
126 W. Main Street
Fredericksburg, Texas 78624

LESSOR:

Such addresses may be changed at any time by either party upon earlier notice given as herein set forth.

17.02. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representative, successors, and assigns where permitted by this Agreement.

17.03. This Agreement is subject to the availability and appropriation of budgeted funds by Lessee beyond the Lessee's current fiscal year, and upon an occurrence of non-appropriation by City Council in a future fiscal year, this Agreement shall terminate immediately.

17.04. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Gillespie County.

17.05. This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understanding or written or oral agreements between the parties.

17.06. No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing and duly executed by the parties.

17.07. Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Agreement so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of the Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

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

Poarch Realty Investments, LP

By:_____ Date:_____

Printed Name and Title: _____

CITY OF FREDERICKSBURG, TEXAS

By:_____ Date:_____

Kent Myers, City Manager



EXHIBIT A
Leased Premises
Parking Lot

Agenda Packet Page 75



CITY COUNCIL MEMO

DATE: October 21, 2019
TO: Mayor and City Council
FROM: Laura Hollenbeak, Director of Finance
SUBJECT: FY 2020 Budget Amendments

Summary:

Budget amendments to the FY 2020 Budget are needed to transfer approved expenditures in the prior fiscal year for services and equipment purchases that were not completed during FY 2019 to FY 2020.

Recommendation:

Staff recommends that Council approve the proposed FY 2020 budget amendments.

Background / Analysis:

The City has a few projects and equipment purchases that were not completed by the end of the fiscal year ended September 30, 2019. Therefore, a budget amendment is needed to complete these projects and equipment purchases in the new fiscal year.

Attachments:

FY 2020 Proposed Budget Amendments

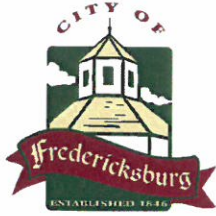
Sandra Hollenbeck

Department Approval

[Signature]

City Manager Approval

FY 2020 Proposed Budget Amendments - October 21, 2019 Council Meeting					
G/L Account	Description	2020 Budget	2020 Proposed	Amendment	Notes
Development Services Expenditures					
01-27-3140-00	Contract Professional Services	14,300.00	49,300.00	35,000.00	Unspent amount of approximately \$26K in FY 2019 budget, plus \$9K savings in other FY 2019 GL accts
	Development Services Expenditures	14,300.00	49,300.00	35,000.00	
	General Fund Revenue Total	-	-	-	
	General Fund Expenditure Total	14,300.00	49,300.00	35,000.00	
EMS Expenditures					
06-21-5261-00	Generator for South Station	-	21,897.00	21,897.00	Unspent amount of the FY 2019 budget of \$20,000 that will be spent in FY 2020 plus \$1,897
	EMS Expenditures	-	21,897.00	21,897.00	
Tourism Expenditures					
07-21-5710-00	Christmas Lights	-	27,191.25	27,191.25	Budgeted 97,000 in FY 2019 - Actual cost \$54,382.50 - \$27,191.25 in FY 2019 & \$27,191.25 in FY 2020
	Tourism Expenditures	-	27,191.25	27,191.25	
Drainage Expenditures					
10-21-5013-00	Dump Truck	-	89,704.00	89,704.00	Planned to purchase in FY 2019 - will purchase in FY 2020
	Drainage Expenditures	-	89,704.00	89,704.00	
	Total Revenues	-	-	-	
	Total Expenditures	14,300.00	188,092.25	173,792.25	



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Lease Purchase Financing for Acquisition of Equipment

Summary:

The 2020 adopted City Budget approved funding for lease purchase payments for the acquisition of equipment including a Maintainer for the Street Department, Boom Truck and Bobcat Excavator for the Water Department, Track Loader for the Solid Waste Fund, Ambulance for the EMS Fund, Bucket Truck and Backhoe for the Drainage Fund.

The purchase price of \$1,192,959.44 will be financed. The financing was bid with the low bid received from Frost Bank with an interest rate of 1.490%.

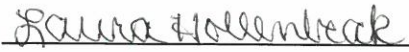
Recommendation:

Staff recommends that the Council award the financing to Frost Bank. The City Attorney will review the lease documentation.

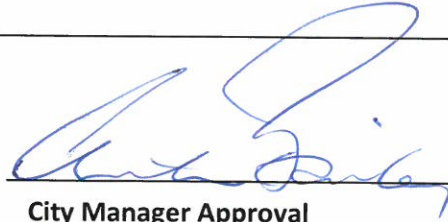
Background / Analysis:

Attachments:

Summary of Bids Received



Department Approval



City Manager Approval

City of Fredericksburg - \$1,192,959.44 Lease / Purchasing Financing, FY 2020

Summary of Bids Received

Bidder	Interest Rate	Principal Amount	Total Interest		Fee if any	Total P & I &		Annual Payment	Rank
			Cost			Fees			
Frost Bank	1.490%	1,192,959.44	17,686.82		500.00	1,211,146.26		403,584.75	1
Key Government Finance, Inc .	2.23%	1,192,959.44	26,405.28		-	1,219,364.72		406,454.91	2
Broadway National Bank	2.74%	1,192,959.44	32,388.62		250.00	1,225,598.06		408,449.37	3
Ripple Creek Capital	3.332%	1,192,959.44	39,311.41		-	1,232,270.85		410,756.95	4



CITY COUNCIL MEMO

DATE: October 21, 2019

TO: Mayor and City Council

FROM: Garret Bonn, P.E., CFM, Assistant City Engineer

SUBJECT: Transportation Projects Traffic Impact Study – Professional Services Contract Award

Summary:

This item is for consideration of a Professional Services Contract with Kimley-Horn and Associates, Inc ("Kimley-Horn") for the completion of the Transportation Projects Traffic Impact Study

Recommendation:

City staff recommends awarding a professional services contract to Kimley-Horn and Associates, Inc. for the City of Fredericksburg's Transportation Projects Traffic Impact Study in the amount of \$73,800.

Background / Analysis:

Since the completion of the City's Transportation Master Plan in September of 2017 and in conjunction with TxDOT's Relief Route Corridor Feasibility Study, City Council and staff have discussed locally-sponsored projects that could help relieve congestion in and around the City. As a result of these discussions and based on public input received as part of the Relief Route study, the following projects have been identified as high priority projects (refer to attached aerial map):

1. South Cherry St. Extension/Post Oak Rd. Widening
2. Frederick Road Extension (Phases 1 & 2)
3. Friendship Lane Extension (also referred to as Inner Loop or Interim Relief Route)

In order to more accurately determine the benefits and costs of each of these projects, the adopted FY 2020 budget includes funding for a Traffic Impact Study that will further study these high priority projects. The scope of the study is to review and assess available data, identify existing and future traffic conditions in areas surrounding these projects, collect additional traffic data (as required), obtain public input, and provide detailed cost estimates for the projects and potential funding sources including a possible bond proposition.

After advertisement of a Request for Qualifications (RFQ) in the Fredericksburg Standard and on the City website, the City received six (6) Statements of Qualifications (SOQ). The SOQ's were evaluated by a selection committee comprised of three (3) members of City staff using a numerical grading criteria matrix that rated each firm's qualifications in key areas such as "Project Approach", "Key Personnel Qualifications and Experience", "Firm Qualifications and Experience", and "Firm Location." The full grading criteria and the consultant ranking matrix follows:

**Transporation Impact Study
Statement of Qualifications
Evaluation Criteria**



Criteria	Maximum Score
The maximum score for sub-group(s) is the bold number	100.0
1. Project Approach/Project Management Plan:	30.0
Understanding of request for qualifications and scope of work	
Project approach	
Detailed work plan for the proposed project	
Firm's ability to meet project schedule	
Interaction and coordination	
Knowledge of City work and previous project experiences with the City	
2. Key Personnel Qualifications & Experience	40.0
Project manager	
Project manager's past performance on recent City projects	
Project personnel and roles, including lead project engineer	
Project team organization	
Staff/project manager availability, commitment to project, and staff location	
Project team member's ability to meet on short notice at City Offices	
3. Firm Qualifications and Experience	25.0
Directly related experience and qualifications	
Recent experience in other municipal projects comparable to the one proposed	
Experience with transportation master planning, particularly in the central Texas region	
Experience working with TxDOT	
4. Firm Location	5.0
Firm's location and ability to meet with City personnel as required	

Transportation Projects Traffic Impact Study **Statement of Qualifications** **Evaluation Criteria Scoring Summary**



Firm	Overall Score (Max 100 pts)
Kimley Horn **	93.2
Pacheco Koch **	92.5
Freese & Nichols	89.5
The Goodman Corp	89.5
Big Red Dog	88.3
TJKM	76.5

** Indicates Shortlisted Firms Invited to Interview with City of Fredericksburg.

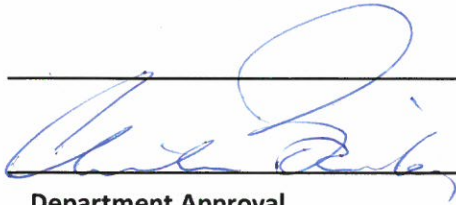
After independent staff review of the Statements of Qualifications, staff members determined that Kimley-Horn and Pacheco Koch, the two highest ranking firms, would be invited to participate in an interview. Interviews were held on Tuesday, October 8th, and a copy of the interview agenda is attached for reference.

Based on key project components including the project manager's and key design staff's experience with the City's transportation master plan, how the project team intends to complete the project in accordance with the intended schedule, how to involve the public and TxDOT/Gillespie County, and unique ideas on how to fund potential projects, City staff is recommending award of the Transportation Projects Traffic Impact Study contract to Kimley Horn. A copy of the proposal which has been reviewed by City staff is attached for your review. The proposed fee of \$73,800 will be funded out of the FY 2020 Street Dept. budget which included \$75,000 for this project.

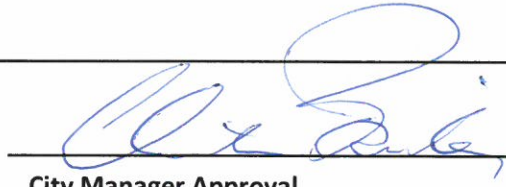
The project is anticipated to be completed in February 2020.

Attachments:

- Priority Transportation Project Aerial Map
- Interview Agenda
- Professional Services Contract from Kimley-Horn and Associates, Inc.



Department Approval



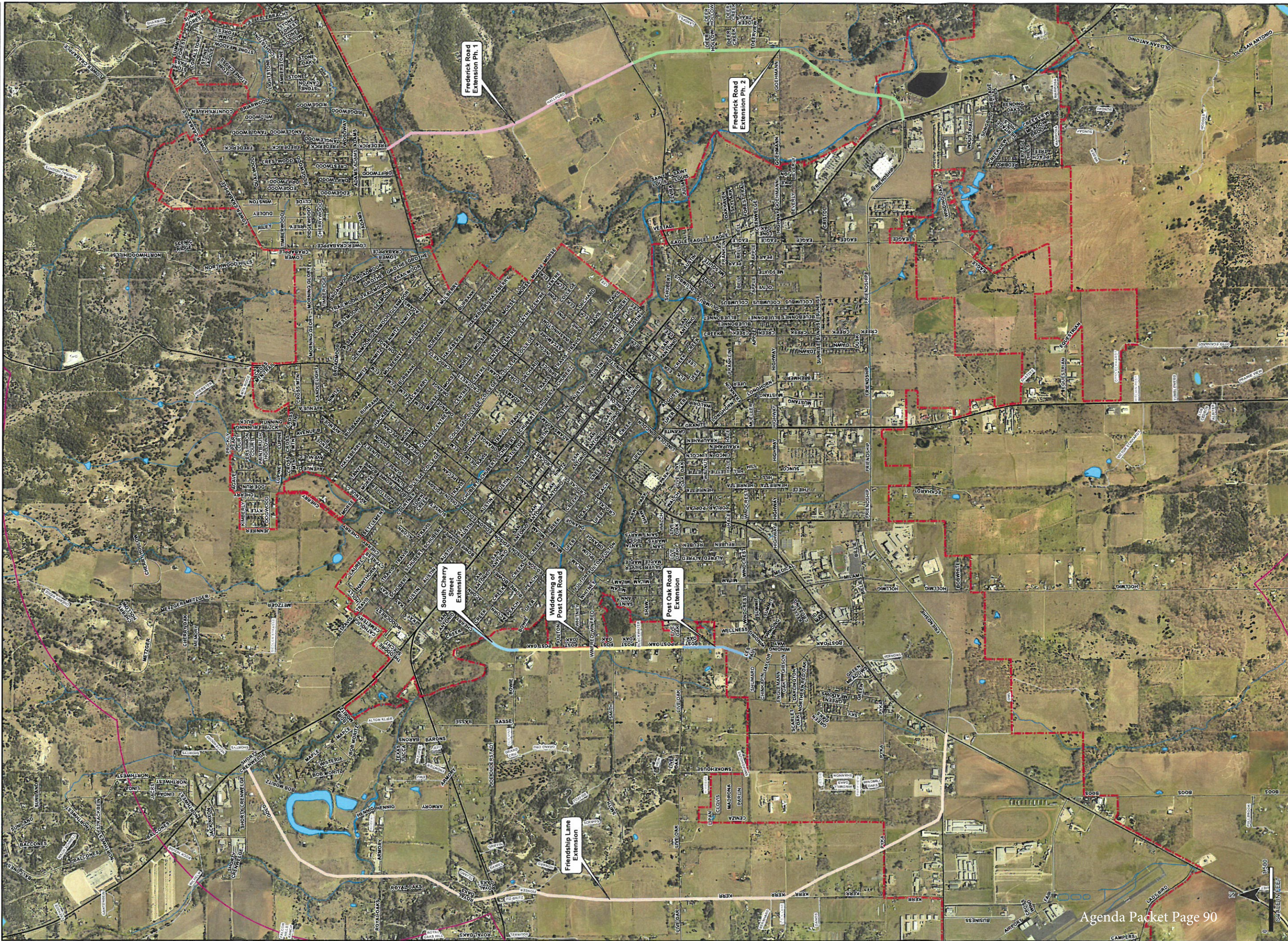
City Manager Approval

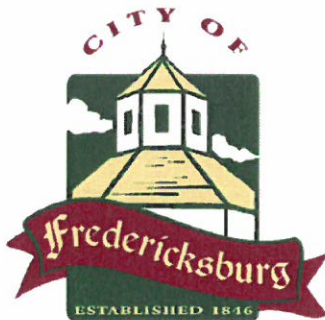


City Attorney Approval

CITY OF FREDERICKSBURG
Engineering Department
Transportation Master Plan Projects

- Legend**
- Frederick Rd. Extension Phase 1
 - Frederick Rd. Extension Phase 2
 - S. Cherry St. Extension
 - Post Oak Rd. Widening
 - Post Oak Rd. Extension
 - Friendship Lane Extension





City of Fredericksburg - Transportation Projects Traffic Impact Study

Interview Agenda

- Introductions
- Firm overview
- Specific expertise/experience relating to the proposed project
- Recommended scope of services
- Proposed project schedule including any important milestones/issues
- Questions/Concerns

The purpose of the interview will be to expand on the information provided in the SOQ, not to repeat information already provided. Please be prepared to make a 20 to 30 minute presentation regarding the SOQ and answer related questions that may be asked at any time during the course of the interview. A computer and projector will be available if needed. Each interview is expected to last approximately 45 minutes.

Following the interviews, the evaluation committee will determine a ranking for each short list firm based on the published criteria of the RFQ. Consideration will be given to both the written SOQ and interviews. The evaluation committee intends to make a selection no later than Wednesday, October 9th and will begin negotiating a professional services contract with the highest ranking firm immediately thereafter. The intent is to recommend a professional services contract award to the City Council at their October 21, 2019 meeting.

October 15, 2019

Mr. Garret Bonn
Assistant City Engineer
City of Fredericksburg
126 West Main Street
Fredericksburg, TX 78624

**Re: Professional Services Agreement
Transportation Projects Traffic Impact Study**

Dear Mr. Bonn:

Kimley-Horn and Associates, Inc. ("Kimley-Horn", or "Consultant") is pleased to submit this letter agreement (the "Agreement") to the City of Fredericksburg ("Client" or "the City") for providing Traffic Engineering support services related to the preparation of a traffic study, public involvement, and preparation of documents in support of a potential transportation bond election.

PROJECT UNDERSTANDING

The Client wishes to study existing and future traffic conditions throughout the City to aid in determination of a potential transportation bond. Several roadway projects have been identified by the City from the 2017 Thoroughfare Plan that would provide new connections and, in some cases, expand roadway capacity through roadway widening. Projects to be studied are shown on the 2017 Transportation Master Plan (TMP) and include Cherry Street / Post Oak Road, Frederick Rd Phases 1 and 2, and Friendship Ln Extension, as well as projects that arise from technical analysis. Several different project package investment scenarios will be considered, which may include new roadway alignments, roadway widenings, short-term intersection projects, and projects that address safety issues. Through technical analysis of alternative packages of projects, the City hopes to select a preferred alternative that addresses both current and future anticipated traffic challenges with a reasonable budget and with results that are supported by the community.

SCOPE OF SERVICES

Task 1 – Project Management / Meetings

- a) Project management duties will consist of coordination and communication with the Client, monthly reporting, and accounting activities related to the performance of the study.
- b) Kimley-Horn will hold up to eight (8) bi-weekly conference calls with the City for progress updates during the project, with meeting agendas and notes prepared by Kimley-Horn. In-person meetings may substitute as a bi-weekly progress call as outlined in Tasks 1.c through 1.e.
- c) Kimley-Horn will hold one (1) meeting in Fredericksburg for review of the draft results, prior to the Open House and Council Workshops.
- d) Kimley-Horn will conduct one (1) Open House meeting for public input on results.
- e) Kimley-Horn will meet at one (1) council workshop to review the preferred scenario. Kimley-Horn may meet with TxDOT and Gillespie County during the same travel associated with the Open House or Council Workshop meetings.

Kimley-Horn's involvement in more than three (3) trips to Fredericksburg for in person meetings will be deemed Additional Services and billed in accordance with our current rate schedule.

Task 2 – Existing Plan Review

Kimley-Horn will build upon past local knowledge from completing the 2017 TMP to inform the approach and analysis of the potential transportation roadway projects for bond consideration. In addition to leveraging the files and analysis used to develop the 2017 TMP, Kimley-Horn will revisit the following plans as outlined in the RFQ to help inform anticipated future conditions for Tasks 4 and 5:

- Comprehensive Plan
- Future Land Use Plan
- Zoning Map
- Sidewalk Plan
- Relief Route Studies
- Traffic Impact Studies
- Current Transportation CIP

The Comprehensive Plan, Future Land Use Plan, and Zoning Map will be utilized to forecast the anticipated pattern of growth where vacant land exists and potential redevelopment with denser or higher intensity land uses are planned for the future. In addition, any pipeline projects under development in the City of Fredericksburg will be considered that will generate or attract significant traffic, including the following developments with completed Traffic Impact Analysis (TIA) studies:

- West Windcrest TIA
- Fredericksburg Hotel TIA
- Frieden Development TIA
- Heather Glen Subdivision TIA
- Parking Study

The ongoing Relief Route Studies and Traffic Impact Studies will be used to leverage data collected for those projects to save the City on data collection costs, and also be used to help inform existing and future travel patterns based on previous study assumptions. The Sidewalk Plan and Current Transportation CIP will help inform where transportation projects may serve to improve pedestrian connectivity between destinations, and also other background projects for future conditions.

Task 3 – Data Collection

Kimley-Horn will verify the existing roadway network and intersection characteristics in the study areas for twenty-six (26) existing signalized intersections to develop a City-wide model. Up to five (5) additional unsignalized intersections will also be studied that would be affected by new connections. During the data collection phase, Kimley-Horn will conduct research and field investigations to collect the following information:

- Existing Roadway Network;
- Intersection Geometries;
- Lane Assignments;
- Traffic Control;
- Signal Timings; and
- Posted Speed Limits.

- Available Data:
 - Aerial Photography available from public sources
 - Transportation Plan Information for Area Roadways
 - Historical Traffic Count Data
- Count Collection:
 - Weekday (4pm – 6pm) Peak Hour Turning Movement Counts at up to twenty-nine (29) intersections and Weekend (11am – 1 pm) Peak Hour Turning Movement Counts at up to fifteen (15) intersections
 - 24-hour tube counts on one Weekday at up to three (3) locations
- Existing Traffic Conditions (by field observation)
 - Verification of automated traffic data
 - Queue lengths at study intersections
 - Approach / movement delay

Task 4 – Development of City-Wide Models

Kimley-Horn will develop a city-wide Synchro™ model to develop an existing conditions scenario and no-build conditions scenario to analyze performance of signalized intersections and up to five (5) unsignalized intersections in the City. Analysis results from this task will be used as a benchmark against which future conditions will be compared.

- a) Based on turning movement count data, peak hour demand volumes and peak hour factors will be calculated for the study intersections for the existing conditions model.
- b) Kimley-Horn will work with the City to determine an appropriate growth rate for existing traffic volumes and a Horizon Year for studying future conditions. In addition, Kimley-Horn will incorporate anticipated site traffic from completed TIAs outlined in Task 2.
- c) Intersection Analysis – All the intersection analysis will be accomplished through the use of Synchro™ analysis software. While this software was developed primarily to analyze signalized intersections, its un-signalized intersection routine now includes a process defined by the *Highway Capacity Manual*. Analysis of existing traffic operations and no-build traffic operations will be conducted at up to thirty-one (31) intersections. Intersection specific measures of effectiveness such as delay, queue lengths, volume to capacity ratios will be reported at study intersections for scenarios from the Synchro model for existing and no-build scenarios.
- d) System-wide or corridor specific metrics such as number of stops, emissions information, total delay, and average speed will be reported from the Synchro models for existing and no-build scenarios.
- e) Segment Capacity Analysis – Segment capacity analysis will be assessed for roadways where tube counts are collected at up to thirteen (13) locations.

Deliverables:

- Existing conditions and No-Build conditions analysis measures of effectiveness for study intersections.
- System-wide and corridor specific measures of effectiveness.
- Segment capacity analysis results for existing and future conditions.

Task 5 – Scenario Planning**a) Intersection and Signal Timing Mitigations Scenario:**

Kimley-Horn will evaluate one (1) No-Build Horizon Year scenario identified in Task 4 and mitigate conditions by adding signal timing and turn lane mitigations to up to thirty-one (31) study intersections, building upon the No-Build scenario Synchro model developed in Task 4.

b) Alternative Project Package Scenarios:

Kimley-Horn will evaluate implementation of projects for up to three (3) alternative scenario project packages. Kimley-Horn will utilize the results of Task 1.a and the identified projects in the Project Understand to assemble packages of projects for analysis. Kimley-Horn will analyze one (1) build out year for each scenario. Redistribution of the existing trips will be determined based on existing traffic patterns regionally throughout the City. The build out scenarios will be based on re-distribution of future traffic as a result of implementation of projects.

Kimley-Horn will analyze up to thirty-one (31) existing intersections for build-out conditions of up to three (3) alternative scenarios. Future traffic conditions will be based on redistribution and growth of existing traffic based on historical traffic growth in the area determined in Task 4.

All intersection analysis will be accomplished using the Synchro™ software. Analysis will include several Measures of Effectiveness (MOEs), including vehicle delays, Level of Service (LOS), and 95th percentile queues. These MOEs will be calculated at the intersection level.

Segment capacity analysis will be assessed for roadways where tube counts are collected at up to thirteen (13) locations for up to three (3) alternative scenarios with redistributed volumes and limited to volume to capacity ratio analysis for roadway segments.

Deliverables:

- MOE Tables and write-up for Intersection and Signal Timing Mitigations Scenario
- MOE Tables and write up for up to three (3) alternative scenario project packages
- Segment Capacity Analysis at up to thirteen (13) locations with volume to capacity ratios

Task 6 – Safety Projects Analysis

Kimley-Horn will evaluate up to five (5) top crash locations within the City Limits of Fredericksburg using TxDOT's Crash Reporting Information System (CRIS). An assessment of crash type and frequency will be performed and reported in table format with accompanying writeup. Potential safety mitigations limited to turn lanes, roadway realignments, signal improvements (if already signalized) and intersection control reconfigurations will be developed for consideration. Specific safety improvements may be incorporated into the preferred scenario for development of cost estimates.

Task 7 – Building Public Support

A successful bond election requires support from community stakeholders, leadership, and the general citizenry of Fredericksburg. After the 3 alternative project package scenarios have been evaluated in Task 5 with comparative measures of effectiveness, an Open House will be held to present the results of the analysis for consideration by the public. Maps of project packages will be provided on boards along with a score card documenting how the alternative project package scenarios compare. The community will have opportunities for feedback through activities at the Open House. Feedback collected will help determine, in conjunction with staff and Council, the best package of projects for Fredericksburg for the preferred scenario for project costing in Task 9.

Deliverables: Scenario planning report card and public meeting materials

Task 8 – Prepare Technical Report

Kimley-Horn will document the findings of the above scope of services in a technical report. Kimley-Horn will submit a preliminary PDF of the Study for the Client to review. Kimley-Horn will also provide an excel spreadsheet showing development of all traffic volumes at study intersections and segment locations for all analysis periods and conditions (existing, no-build, build-out). Network-level and intersection level MOEs in each Study Area will be summarized and assembled with planning level cost information in Task 6 for comparisons of cost-effectiveness of improvements by the Client. Kimley-Horn will incorporate Client comments before the study is presented at a Council Workshop.

Deliverable: Report summarizing analysis and findings in Tasks 2-7

Task 9 – Prepare Cost Estimates and Project Location Map

Kimley-Horn will prepare cost estimates for the preferred scenario transportation projects as an update to the 2017 TMP based on updated construction costs with additional detail for line item breakdowns of approximate quantities and unit costs. In addition to updating cost estimated provided in the 2017 TMP, planning level cost estimates will be developed for additional intersection and safety projects identified through the study that were not included in the 2017 TMP.

Kimley-Horn will also prepare a project location map using ArcGIS software illustrating both safety and operational project improvement locations from the preferred scenario with labels and accompanying descriptions of projects and costs within the map.

Deliverables:

- Planning level cost estimates in XLS and PDF formats
- Project location map in Map Package and PDF formats

SERVICES NOT INCLUDED

The following services are not included in this Agreement.

- Travel demand modeling;
 - Internal site circulation studies;
 - Analyses of additional intersections that exceed the number of study intersections specified in the above scope;
 - Analyses of additional alternative project package scenarios; and
 - Attendance at Council meetings beyond the workshop included in the scope.
- Study Revisions due to:
 - Modifications of projects included in the study; and/or
 - Additional analyses or major re-works that are required as the result of City, County, TxDOT and/or citizen comments that are inconsistent with Kimley-Horn's original direction (i.e., the direction that was documented following Kimley-Horn's initial coordination with the Client).

ADDITIONAL SERVICES

Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates.

INFORMATION TO BE PROVIDED BY CLIENT

We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project.

At the outset of the project, the Client shall provide Kimley-Horn with all potential project information, if different from the 2017 Transportation Master Plan. This project information will be the basis of Kimley-Horn's analyses. Any analysis revisions that are necessitated by subsequent revisions to the potential project information will be considered to be additional services.

SCHEDULE

Transportation Projects Traffic Study Tasks	Critical Dates	OCTOBER					NOVEMBER					DECEMBER					JANUARY					FEBRUARY				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Council Authorization	10/21/2019																									
Contracting / Notice to Proceed	10/21/2019																									
1. Meetings and Project Management																										
Project Kickoff Call	10/28/2019																									
Bi-Weekly Progress Meetings / Calls	Bi-Weekly																									
In person Results Review - City Staff	1/9/2020																									
Open House	1/23/2020																									
Council Workshop	2/3/2020																									
2. Existing Plan Review																										
Collection of Previous Data (Other Studies)																										
Review of Future Land Use Conditions																										
3. Data Collection																										
Collection and Processing Count Data	11/12/2019																									
Field Reconnaissance / Observations	10/28/2019																									
4. City-Wide Models																										
5. Scenario Planning																										
No-Build Mitigated (Signal / Turn Lanes)																										
3 Alternative Scenarios																										
Segment Capacity Analysis & Reporting																										
City Review and Comments																										
Revisions	1/16/2020																									
6. Safety Analysis																										
7. Building Public Support																										
Open House Materials Development																										
8. Report																										
Report Documentation																										
Final Report	2/27/2020																									
9. Cost Estimates and Maps																										
Cost Estimates	1/21/2020																									
Project Maps for Bond Proposition	1/21/2020																									

FEE AND EXPENSE

Kimley-Horn will perform the services in Tasks 1 – 9 for the total lump sum fee below. Individual task amounts are informational only. All permitting, application, and similar project fees will be paid directly by the Client.

Labor Fees

Task 1 – Project Management & Meetings	\$ 11,000
Task 2 – Existing Plan Review	\$ 2,000
Task 3 – Data Collection	\$ 2,000
Task 4 – City-Wide Models	\$ 8,000
Task 5 – Scenario Planning	\$ 16,000
Task 6 – Safety Analysis	\$ 4,900
Task 7 – Building Public Support	\$ 6,000
Task 8 – Technical Report	\$ 7,000
Task 9 – Cost Estimates and Project Maps	\$ 7,900
Labor Subtotal	\$ 64,800

Expenses

Traffic Counts (Subconsultant – Quality Counts)	\$ 7,500
Office & Travel Expense (Mileage, Meals, Boards, Report Copies)	\$ 1,500
Expense Subtotal	\$ 9,000

Total Lump Sum Fee	\$ 73,800
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Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

CLOSURE

If you concur in all the foregoing and wish to direct us to proceed with the services, please have authorized persons execute a copy of this Agreement in the spaces provided below, retain one copy, and return the other to us. We will commence services only after we have received a fully-executed agreement. Fees and times stated in this Agreement are valid for sixty (60) days after the date of this letter.

We appreciate the opportunity to provide these services to you. Please contact me if you have any questions.

ACCEPTED:

CITY OF FREDERICKSBURG, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____



CITY COUNCIL MEMO

DATE: October 9, 2019
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Presentation on Texas Pace Program

Summary:

At Monday's Council meeting, John Clamp, the Chief Financial Officer for the Alamo Area Council of Governments (AACOG), will be making a presentation on the new Texas Pace Program.

Recommendation:

There is a presentation only and no action is being requested at the Council meeting. Following the presentation by Mr. Clamp, it is recommended that the City Council provide staff with comments on whether you would like to consider a resolution approving the program in the City of Fredericksburg.

Background / Analysis:

Over the past six months, several developers have approached the City expressing an interest in participating in the Texas Pace Program. This includes developers of the Albert Hotel and the Fiesta Winery which is currently proposed in the County. Representatives from these two companies may attend Monday's Council meeting to listen to the presentation and offer comments.

The Texas Pace Program provides low-cost long-term financing for both new construction and renovations that offer energy efficiency improvements as part of their development. The energy efficiency improvements that qualify include heating/ventilation, lighting, water pumps, insulation and solar panels.

The program in our area is administered by AACOG and there is no cost to the City. However, in order to participate in the program, local governments need to pass a resolution of intent, hold a public hearing and adopt a resolution establishing the program within their jurisdiction. We will prepare a resolution of intent for your consideration if there is an interest following the presentation

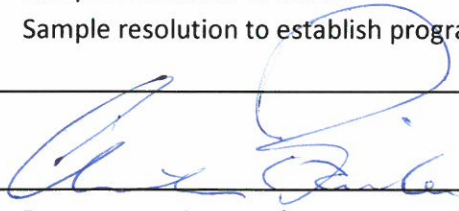
Attached to this report is a sample resolution of intent and resolution. Also is a sample of information that we would be required to post on our website to inform the public about our interest in participating in the program.

Attachments:

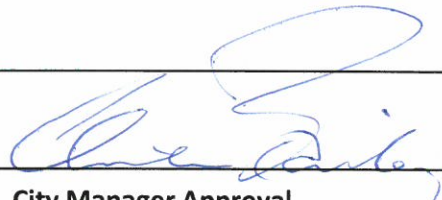
Sample public report

Sample resolution of intent

Sample resolution to establish program



Department Approval



City Manager Approval



City Attorney Approval

**PACE PROGRAM INTERLOCAL AGREEMENT
BY AND BETWEEN THE ALAMO AREA COUNCIL OF GOVERNMENTS
AND THE CITY OF FREDERICKSBURG, TEXAS**

This Interlocal agreement is entered into between the Alamo Area Council of Governments ("AACOG"), a regional Planning Commission and political subdivision of the State of Texas and the City of Fredericksburg, Texas (**Local Government**), a body politic and a political subdivision of the State of Texas.

1. STATEMENT OF PURPOSE:

This Interlocal agreement is for the purpose of providing the program administration services needed to implement and administer the Property Assessed Clean Energy (PACE) Program for Local Government.

2. STATEMENT OF SERVICES TO BE PERFORMED BY THE AACOG:

In recognition of the economic benefits for Local Government, AACOG agrees to administer these services in order to help the county create and/or retain jobs and to assist in the growth and stability of the business sector. Businesses in Local Government will be able to take advantage of low-cost, long-term loans for 100% of the cost of energy-efficiency and water conservation improvements. The services to be performed under this agreement are as follows:

A. Community Outreach

1. Establish a PACE Program information page on AACOG's website;
2. Develop a marketing plan and market PACE financing and promote owner participation in the Program;
3. Respond to inquiries from property owners, vendors, contractors, consultants, and the general public;
4. Publish link to the Technical Standards Manual on AACOG's website;
5. List interested, qualified lenders on the Program website or link to another neutral non-profit directory of lenders to enable property owners to identify potential sources of private third-party financing;
6. Coordinate training of contractors and independent third-party reviewers on how to apply for PACE financing and comply with the PACE-in-a-Box Technical Standards Manual; and
7. Establish quality assurance measures

B. Application and Approval Process

1. Publish a Project Application Form based on PACE-in-a-Box model application form on the Program website;
2. Review submitted Application forms for administrative completeness and notify the applicants of any missing information;
3. Maintain the confidentiality of owner information;
4. When Applications are complete, make a preliminary determination of eligibility for participation in the PACE Program and issue preliminary letters to owners and lenders indicating whether, subject to verification of all lender underwriting and closing requirements, the information submitted indicates that the proposed project meets Program requirements;
5. Require independent third-party verification of expected energy or water savings resulting from a project (provided by engineer or consultant retained by applicant), according to the PACE-in-a-Box Technical Standards Manual;
6. Require independent third-party verification, according to the PACE-in-a-Box Technical Services Manual, that the period of an assessment does not exceed the expected life of the improvements or thoroughly review waiver application and justification (provided by engineer or consultant retained by applicant);
7. Confirm that the lender has determined, based on underwriting factors established by the lender, that the owner has demonstrated the financial ability to repay the financial obligations to be repaid through assessment;
8. Require the owner to notify the holder of any mortgage lien on the property of the owner's intention to participate in the Program and obtain the lienholder's written consent prior to the imposition of the PACE assessment;
9. Review and finalize the terms of every Owner Contract and Lender Contract prior to execution;
10. Collect and retain owner application fees as compensation for administrative services;
11. Perform closing verification reviews and schedule assessment transaction closing when all requirements are met;
12. Coordinate and take part in assessment transaction closings;

13. Arrange for recording of a Notice of Contractual Assessment Lien for each approved project in the official public records of the county where the project is located;
14. Require independent post-closing third-party verification (by engineer or consultant retained by Applicant) that each project was properly completed and is operating as intended; and
15. Collect and retain administration fees collected by lenders from owners that receive PACE financing.

C. MANAGEMENT AND REPORTING:

1. Manage communications with lenders regarding assessment servicing, payment, and default;
2. Upon notification by a lender of an owner's default in payment of an assessment and the lender's compliance with the requirements of the Lender Contract on collection after default, notify the Local Government to enforce the assessment lien in accordance with law and the agreements between the parties;
3. Receive and store owner reports on energy and water savings;
4. At the request of property owners, prepare annual notices of assessment to be issued by Local Government to the owners, stating the total amount of the payments due on each assessment in the coming calendar year according to the Owner Contract and the financing documents;
5. Determine the amounts of the application and administration fees to be paid by owners; and
6. Report annually to Local Government on Program usage and the resulting energy and water savings enabled through PACE Assessments.

3. PAYMENT FOR SERVICES:

It is agreed and understood that Local Government will not pay nor be liable to AACOG for any services provided by AACOG or its agents, employees, subcontractors, lenders, or any other related entity. All expenses, application and servicing fees, or costs are paid by the Program applicants pursuant to an established fee structure. AACOG will collect and retain for its own use fees paid by Program applicants during the application process and the subsequent administration of the Program. These fees will be used primarily to offset the costs of administering the program.

Program application and administrative fees are allowed to be included in the total amount financed through the assessments.

4. COUNTY RESPONSIBILITIES:

The County will negotiate with its enforcement contractor to add PACE Loans to its enforcement policies. Reference Local Government Code, Section 399.014(c).

County will collect and retain interest and penalties as properly assessed.

5. CONFIDENTIALITY:

During the process of the loan and/or services to be provided under this agreement, AACOG will treat as confidential the information or knowledge that becomes known during the application process and shall disclose it only to its officers, directors, or employees with a specific need to know. It will not release, use, copy, or disclose such information and agrees not to share it with any third party or individual except with the specific prior written authorization of the loan applicant. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. AACOG shall promptly notify Local Government of any misuse or unauthorized disclosure of its confidential information. This Program will comply with all security policies that may apply. The parties agree and understand that AACOG is subject to the Texas Public Information Act and other applicable state and federal open records laws.

6. TERM OF AGREEMENT:

This contract shall begin upon the last date of execution by a party to this agreement for a term of one year and shall automatically renew for successive one year terms unless otherwise terminated as provided herein.

7. TERMINATION:

This contract may be terminated by either party for any reason, with or without cause, upon thirty (30) days written notice.

8. AMENDMENTS:

Amendments to this Interlocal Agreement shall be in writing and signed upon final approval by both Parties.

9. INDEMNIFICATION:

To the extent permitted by the Texas Constitution and Texas State Laws without the creation of sinking fund, each party shall indemnify and hold the other party, its affiliated entities, and their respective directors, officers, employees, agents, and representatives, harmless from and against any claims liabilities, damages and expenses arising out of the indemnifying party's act or omissions, or the acts omissions of the indemnifying party's employees, students, facility, staff, agents or representatives, under this Agreement excluding claims, liabilities, damages, expenses resulting from the negligence or willful misconduct of the other party, its employees, staff,

agents or representatives.

10. IMMUNITY:

No provision of this Agreement shall affect or waive any sovereign or governmental immunity available to LOCAL GOVERNMENT and/or its elected officials, officers, employees and agents under Federal or Texas law nor waive any defenses or remedies at law available to the County and/or its elected officials, officers, employees and agents under Federal or Texas law.

11. CHOICE OF LAW/VENUE:

This Agreement shall be construed and enforceable in accordance with the laws of the State of Texas, without regard to its conflict of laws principles. Exclusive venue shall be in a court of competent jurisdiction in Bexar County, Texas.

12. SEVERABILITY

If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

13. AUTHORIZATION:

This Agreement is entered into by the duly authorized officials of each respective party. Each person signing this Agreement on behalf of a party hereby confirms for the benefit of the other party to this Agreement that any requisite approvals from the governing body of such party have been obtained, and all prerequisites to the execution, delivery and performance hereof have been obtained by or on behalf of that party.

CITY OF FREDERICKSBURG, TEXAS ALAMO AREA COUNCIL OF
GOVERNMENTS

By: _____

Date: _____

By: _____
Diane Rath,
Executive Director

Date: _____

PACE LENDER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) LENDER CONTRACT including the attached exhibits (“**Lender Contract**”) is made as of the [REDACTED] day of [REDACTED], [REDACTED], (“**Effective Date**”) by and between the City of Fredericksburg, Texas (“**Local Government**”) and [REDACTED] (“**Lender**”).

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a Resolution dated [REDACTED], adopted by the City Council (“**PACE Program**”), and has designated the Alamo Area Regional Council of Governments (AACOG) (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Fredericksburg, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. Pursuant to Application number [REDACTED], [REDACTED] (“**Property Owner**”), the sole legal and record owner of the following qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region has/have applied to Local Government to participate in the PACE Program with respect to certain real property located at [REDACTED], Fredericksburg, Texas, [REDACTED] - [REDACTED] (the “**Property**”) by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”).

D. Property Owner and Local Government have entered into a written contract as required by Section 399.005 of the PACE Act, a copy of which is attached hereto as Exhibit A and made a part hereof (the “**Owner Contract**”), in which Property Owner has requested that Local Government impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice

Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the in the real property records of Gillespie County, Texas (the “**Notice of Contractual Assessment Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice of Contractual Assessment Lien is attached as Exhibit A to the Owner Contract and made a part hereof. The Property, Qualified Improvements, and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (“**Financing**”) will be provided to Property Owner by Lender in accordance with financing documents which are described in or copies of which are attached as Exhibit B attached hereto and made a part hereof (the “**Financing Documents**”). Such Financing will include only those costs and fees for which an assessment may be imposed under Section 399.006 (e) of the PACE Act. This Lender Contract is entered into between Local Government and Lender as required by Section 399.006(c) of the PACE Act to provide for repayment of the Financing through the Assessment.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of the Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage lien holder to the Assessment was obtained prior to the date of the Owner Contract, as shown by the copy of such consent(s) attached as Exhibit B to the Owner Contract.

AGREEMENT

The parties agree as follows:

1. Maintenance and Enforcement of Assessment. Lender agrees to provide Financing for the Project in the total principal amount of \$, according to the terms set out in the Financing Documents attached hereto as Exhibit B. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien. In consideration for the Financing provided or to be provided by Lender for the Project, and subject to the terms and conditions of this Lender Contract, Local Government agrees to maintain and continue the Assessment for the benefit of Lender until the Assessment, all contractual interest due to Lender according to the Financing Documents (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, fees, or costs due under or authorized by the PACE Act and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Local Government will not release, sell, assign or transfer the Assessment or the lien securing it without the prior written consent of Lender. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner in accordance with the provisions set forth in paragraph 6. Local Government shall have no obligation to repurchase the Assessment and no liability to Lender should there be a default in the payment thereof or should there be any other loss or expense suffered by Lender or under any other circumstances.

2. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments (“**Installments**”) according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit B. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount will be collected by Lender and paid to Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of delinquency in the payment of any Installment, Lender will, upon notice to Authorized Representative, withhold payment of any amounts due to Authorized Representative in connection with such Installment until the Installment is paid. Any such temporary withholding will not reduce the amount of administration fees included in the Assessment. The amounts due to Authorized Representative are identified in Exhibit B hereto. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

3. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, with or without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with the corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender, which may be one of the following:

(1) Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;

(2) Any insurance company authorized to conduct business in one or more states;

(3) Any registered investment company, registered business development company, or a Small Business Administration small business investment company;

(4) Any publicly traded entity; or

(5) Any private entity that:

(i) Has a minimum net worth of \$5 million;

(ii) Has at least three years’ experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years’ experience in business or industrial lending or commercial real estate lending;

(iii) Can provide independent certification as to availability of funds; and

(iv) Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts

(6) A financially stable entity, whether or not from the list above, with the ability to carry out, either directly or through a servicer, the obligations of this Lender Contract related to the receipt and accounting of the Installments or the enforcement of the assessment lien.

(b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents; and

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under this Lender Contract related to the receipt of the Installments or enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative within 10 days after execution of the agreement. Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer that meets all of these conditions, the assignor will be released of all of the rights and obligations of the Lender under this Lender Contract accruing after the date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations will be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or to require enforcement of the assessment lien that does not meet all of these conditions is void. Lender will retain all of the rights and obligations of Lender under this Lender Contract until such rights and obligations are assigned or transferred according to this paragraph.

4. Financing Responsibility. Lender assumes full responsibility for determining the financial ability of the Property Owner to repay the Financing and for advancing the funds as set forth in the Financing Documents and performing Lender's obligations and responsibilities thereunder. In the event the assessment lien on the Property is enforced by foreclosure as provided below, Lender will have no further obligations to Property Owner with respect to the Installments that were the subject of the foreclosure, but Lender will retain the rights to enforcement of the lien for any Installments that are not eliminated by the foreclosure, and the succeeding owner of the Property will be subject to such lien.

5. Lien Priority and Enforcement. As provided in the Owner Contract and Section 399.014 of the PACE Act:

(a) Delinquent Installments will incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, that is, a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment will also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 16 below, penalties, interest, fees, and costs payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is recorded in the real property records of Gillespie County, Texas, as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Lender, Local Government or Authorized Representative

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment will be enforced by Local Government for the benefit of Lender according to paragraph 6(c) below in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local

Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total principal amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender will be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014(a-1) of the PACE Act, after written notice

of the Assessment is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a "qualified improvement" or the project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

6. Servicing and Enforcement of Assessment.

(a) Servicing. The Installments and other amounts due under the Financing Documents will be billed, collected, received, and disbursed in accordance with the procedures set out in the Financing Documents. Lender or its designee will be responsible for all servicing duties other than those specifically undertaken by Local Government in this Lender Contract. Authorized Representative will deliver an annual notice of assessment to Property Owner by electronic mail each year until the Assessment is released. If requested by Property Owner in the Owner Contract, Local Government agrees to also send an annual notice of assessment to Property Owner by first class mail in the envelop with the tax bill of the Property each year until the Assessment is released. However, any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property Owner's obligations under the Owner Contract.

(b) Remittances. Each of the parties covenants and agrees to promptly remit to the other party any payments incorrectly received by such party with respect to the Assessment after the execution of this Lender Contract.

(c) Default and Enforcement. In the event of a default in payment of any Installment according to the Financing Documents, Lender agrees to take at least the following steps to collect the delinquent Installment:

(1) Mail a written notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first class mail; and

(2) Mail a second notice of delinquency to the Property Owner and the holder of any mortgage lien on the property by both certified mail, return receipt requested, and first-class mail at least 30 days after the date of the first notice if the delinquency is continuing.

The holder of any mortgage lien on the property will have not less than a 30-day right to cure the delinquency by paying the amount of the delinquent installment. If the Property Owner fails to cure the delinquency within 30 days after the mailing of the second notice of delinquency, Lender or its designee may notify Authorized Representative in writing of a default in payment by Property Owner. Upon receipt of such notice and after doing its own due diligence, including delivering a notice of foreclosure to Freddie Mac not less than 30 days prior to the foreclosure if the mortgage lien is held by Freddie Mac, Authorized Representative will certify the default to Local Government, which will enforce the assessment lien for the benefit of Lender pursuant to Sec. 399.014(c) of the PACE Act, in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution. However, if a case under the U.S. Bankruptcy Code is filed by or against Property Owner or if the enforcement of the assessment lien is prevented by the order of a court, Local Government will notify Authorized Representative and will file a proof of claim for the balance of the assessment, accrued interest and penalties, and all costs and expenses, including attorney's fees, as authorized by Section 399.014 of the PACE Act. Authorized Representative will notify Lender of the filing of the proof of claim. Lender will not be required to mail a notice of delinquency to Property Owner or a notice of default to Local Government. Lender will reimburse Local Government for any costs and expenses, including attorney's fees, required to file and present the claim.

(d) Priority. If the assessment lien is enforced by foreclosure or collected through a bankruptcy or similar proceeding, the assessment balance and any interest or penalties on the assessment will have the same priority status as a lien for any other ad valorem tax, pursuant to Sec. 399.014(a)(2) of the PACE Act.

(e) Final Payment and Release. When the Assessment, Contractual Interest any prepayment penalty, and any penalties, interest, fees, or costs due under or authorized by the PACE Act or the Financing Documents have been paid in full, Local Government's rights under the Owner Contract will cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative will execute a release of the Assessment and the Owner Contract and record the release.

(f) Limitations on Local Government's Actions. Without the prior written consent of Lender, Local Government will not enter into any amendment or modification of or deviation from the Owner Contract. Local Government or Authorized Representative will not institute any legal action with respect to the Owner Contract, the Assessment, or the assessment lien without the prior written request of Lender.

(g) Limitations of Local Government's Obligations. Local Government undertakes to perform only such duties as are specifically set forth in this Lender Contract, and no implied duties on the part of Local Government are to be read into this Lender Contract. Local Government will not be deemed to have a fiduciary or other similar relationship with Lender. Local Government may request written instructions for action from Lender and refrain from taking action until it receives satisfactory written

instructions. Local Government will have no liability to any person for following such instructions, regardless of whether they are to act or refrain from acting.

(h) Costs. No provisions of this Lender Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

7. Lender's Warranties and Representations. With respect to this Lender Contract, Lender hereby warrants and represents that on the date on which Lender executes this Lender Contract:

(a) Lender is a qualified lender under the PACE Program, as defined in paragraph 3(a) above, and is fully qualified under the PACE Program to enter into this Lender Contract and the Financing Documents;

(b) Lender has independently and without reliance upon Local Government conducted its own credit evaluation, reviewed such information as it has deemed adequate and appropriate, and made its own analysis of the Owner Contract, the Project, and Property Owner's financial ability to perform the financial obligations set out in the Financing Documents; and

(c) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, or any warranty or representation by Local Government, Authorized Representative, or any agent or employee of Local Government, express or implied, concerning the financial condition of the Property Owner or the tax or economic benefits of an investment in the Assessment.

8. Written Contract Required by the PACE Act. This Lender Contract constitutes a written contract between Local Government and Lender, as required under Section 399.006 (c) of the PACE Act.

9. Construction and Definitions. This Lender Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein have the meanings ascribed to them in the PACE Program, and/or the PACE Act.

10. Binding Effect. This Lender Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted hereunder shall be in writing and delivered by first-class mail or by electronic mail, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Lender Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Lender Contract constitutes the entire agreement between Local Government and Lender with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This Lender Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the usury limit, interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Lender Contract.

17. Certification. Local Government certifies that the PACE Program has been duly adopted and is in full force and effect on the date of this Lender Contract. Property Owner has represented to Lender and Local Government that the Project is a “qualified project” as defined in the PACE Program and Section 399.002 of the PACE Act. The Assessment has been imposed on the Property as a lien in accordance with the PACE Owner Contract and the PACE Act. Local Government has not assigned or transferred any interest in the Assessment or the PACE Owner Contract.

18. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender will withhold [REDACTED] % of the Financing until verification that the Project was properly completed and is operating as intended is provided to Authorized Representative by an Independent Third Party Reviewer (“ITPR”), or Property Owner will pay liquidated damages to Lender of \$ [REDACTED] per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner within 30 days after completion of the Project, such verification shall be submitted by Lender. If this Lender Contract includes any additional requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit C attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

Name: _____

Title:

Address: _____

ACKNOWLEDGEMENT

COUNTY OF §

_____ (print name)

Agenda Packet Page 117

LOCAL GOVERNMENT:

FREDERICKSBURG, TEXAS

By: ALAMO AREA REGIONAL COUNCIL OF GOVERNMENTS
AUTHORIZED REPRESENTATIVE
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: _____

Title: _____

Address: _____

Email Address:

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by [NAME], [TITLE], [ORGANIZATON], a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

(print name)

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A

OWNER CONTRACT

EXHIBIT B
FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:
Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

Financing Documents

Document Title	Parties	Date Executed

EXHIBIT C

CONSTRUCTION TERMS

Retainage or Liquidated Damages:

Lender will retain _____% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.

OR

Property Owner will pay liquidated damages to Lender of \$ _____ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.

Date	Draw down Amount	Purpose

**NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO
PROPERTY ASSESSED CLEAN ENERGY ACT**

STATE OF TEXAS §
 §
CITY OF FREDERICKSBURG §

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand. Unless otherwise expressly provided herein, all terms used herein have the same meanings ascribed to them in the PACE Act.

B. The City of Fredericksburg, Texas (“**Local Government**”) has established a program under the PACE Act (“**PACE Program**”) pursuant to a resolution dated _____, adopted by the City Council, and has designated the Alamo Area Regional Council of Governments (AACOG) as the representative of Local Government (“**Authorized Representative**”) authorized to enter into and enforce the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City’s jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

C. _____ (“**Property Owner**”) is/are the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at _____, Fredericksburg, Texas _____ - _____ and more fully described in Exhibit A attached hereto and made a part hereof (the “**Property**”).

D. Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements described in Exhibit B attached hereto and made a part hereof, which are intended to decrease water or energy consumption or demand and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (the “**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has entered into a written contract (the “**Owner Contract**”) with Local Government pursuant to the PACE Act and the PACE Program and has requested Local

Government to impose an assessment on the Property to repay the financing of such Qualified Improvements.

E. The financing of such Qualified Improvements will be provided to Property Owner by [REDACTED] (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**Lender Contract**”). Lender will be responsible for all servicing duties other than those specifically undertaken by Local Government in the Lender Contract.

THEREFORE, Local Government hereby gives notice to the public pursuant to Section 399.013 of the PACE Act that it has imposed an assessment on the Property in the principal amount of \$ [REDACTED] (the “**Assessment**”). The Assessment includes only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. In the event that the actual total of costs and fees for which an assessment may be imposed is different from the amount stated or any other term requires correction, Local Government, Property Owner, and Lender will execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien.

The Assessment and contractual interest thereon due to the Lender (the “**Contractual Interest**”) are due and payable in installments (“**Installments**”) in accordance with the terms and payment schedule included in the financing documents executed between Property Owner and Lender that are described in or copies of which are attached hereto as Exhibit C (the “**Financing Documents**”).

Pursuant to Section 399.014 of the PACE Act,

1. The Assessment and any interest or penalties thereon,
 - (i) are a first and prior lien against the Property from the date on which this Notice of Contractual Assessment Lien is recorded in the real property records of Gillespie County, Texas, until the Assessment, interest, or penalty is paid; and
 - (ii) such lien has the same priority status as a lien for any other ad valorem tax.
2. The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner’s obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Local Government, or Authorized Representative.

As provided in Section 399.014(a-1) of the PACE Act, after this Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

EXECUTED on _____, _____.

LOCAL GOVERNMENT:
CITY OF FREDERICKSBURG, TEXAS

By: ALAMO AREA COUNCIL OF GOVERNMENTS
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: _____

Title: _____

Address:

E-mail:

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF [REDACTED] §

This Notice of Contractual Assessment Lien pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by [NAME], [TITLE], [ORGANIZATION], a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

_____ (print name)

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A
PROPERTY DESCRIPTION

EXHIBIT B
QUALIFIED IMPROVEMENTS

FINANCING DOCUMENTS

Payment Frequency:

[illegible]

Document Title	Parties	Date Executed

INDEXING INSTRUCTION:

Grantor: _____, Property Owner
Grantees: _____, Local Government
 _____, Lender

After recording, return to- _____

PACE OWNER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) OWNER CONTRACT including the attached exhibits (“**Owner Contract**”) is made as of the [REDACTED] day of [REDACTED], [REDACTED] (“**Effective Date**”), by and between the City of Fredericksburg, Texas (“**Local Government**”), and [REDACTED] (“**Property Owner**”).

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated [REDACTED], adopted by the City Council (“**PACE Program**”), and has designated the Alamo Area Regional Council of Governments (AACOG) (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Fredericksburg, Texas jurisdiction as a region (**the “Region”**) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

C. Property Owner is/are the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at [REDACTED], Fredericksburg, Texas [REDACTED] - [REDACTED] (the “**Property**”).

D. Pursuant to Application number [REDACTED], Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has requested that Local Government enter into this Owner Contract pursuant to the PACE Act and the PACE Program and has requested Local Government to impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the in the real property records of Gillespie, County, Texas (the “**Notice of Contractual Assessment Lien**”, to repay the financing of such Qualified Improvements. A copy of the Notice

of Contractual Assessment Lien is attached hereto as Exhibit A and made a part hereof. The Property, Qualified Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project ("**Financing**") will be provided to Property Owner by [REDACTED] ("**Lender**"), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the "**Lender Contract**"). The financing will include only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. Local Government has agreed to maintain and continue the Assessment for the benefit of Lender until the Financing, all contractual interest due to Lender ("**Contractual Interest**"), any prepayment penalty, and any penalties, interest, fees, and costs due under or authorized by the PACE Act are paid in full and to release the Assessment upon notice from Lender of such payment, or to foreclose the lien securing the Assessment for the benefit of Lender upon notice from Lender of a default in payment by Property Owner.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of this Owner Contract of Property Owner's intention to participate in the PACE Program. The written consent of each mortgage holder to the Assessment was obtained prior to the date of this Owner Contract and is attached hereto as Exhibit B and made a part hereof.

AGREEMENT

The parties agree as follows:

1. Imposition of Assessment. In consideration for the Financing advanced or to be advanced to Property Owner by Lender for the Project under the PACE Program pursuant to the Lender Contract, Property Owner hereby requests and agrees to the imposition by Local Government of the Assessment in the principal amount of \$ [REDACTED], as set forth in the Notice of Contractual Assessment Lien. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien. The Assessment includes the application and administration fees authorized by the PACE Program and Section 399.006(e) of the PACE Act. Property Owner promises and agrees to pay the Assessment, Contractual Interest thereon, any prepayment penalty, and all penalties, interest, fees, and costs due under or authorized by the PACE Act and the financing documents executed between Property Owner and Lender (the "**Financing Documents**") described in or copies of which are attached as Exhibit C attached hereto and made a part hereof by reference. Property Owner will pay such amount in care of or as directed by Lender, in satisfaction of the Assessment imposed pursuant to this Owner Contract and the PACE Act. Accordingly, Local Government hereby imposes the Assessment on the Property to repay the Financing of the Project, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, in accordance with the requirements of the PACE Program and the provisions of the PACE Act.

2. Maintenance and Enforcement of Assessment. In consideration for Lender's agreement to advance Financing to Property Owner for the Project pursuant to the Financing Documents, Local Government agrees to maintain and continue the Assessment on the Property for the benefit of Lender until the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, and costs, due under or authorized by the PACE Act and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner, in accordance with the provisions set forth in paragraph 5. Authorized Representative will deliver an annual notice of assessment to Property Owner by electronic mail each year until the Assessment is released. If requested by Property Owner by marking the box below, Local Government agrees to also deliver an annual notice of assessment to Property Owner by first-class mail in the envelope with the tax bill of the Property each year until the Assessment is released.

☐ Property Owner requests an annual notice of assessment from Local Government.

Any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property's Owner's obligations under this Owner Contract.

3. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments ("**Installments**"), according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit C. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing, and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount will be collected by Lender and paid to Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of a delinquency in the payment of any Installment, Lender will, upon notice to Authorized Representative, withhold payment of any administration fee due to Authorized Representative in connection with such Installment until the Installment is paid. Any such temporary withholding will not reduce the amount of the administration fees included in the Assessment. The amounts due to Authorized Representative are identified in Exhibit C hereto. When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, have been paid in full, Local Government's rights under this Owner Contract will cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative will execute a release of the Assessment and this Owner Contract and record the release. As required by Section 399.009(a) (8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

4. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, with or without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with all corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender as defined in the Lender Contract;

(b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents, and

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under this Lender Contract related to the receipt of the Installments or the enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative within 10 days after execution of the agreement.

Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer that meets all of these conditions, the assignor will be released of all of the rights and obligations of the Lender under such Lender Contract accruing after the date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations will be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or require enforcement of the assessment lien that does not meet all of these conditions is void. Lender will retain all of the rights and obligations of Lender under the Lender Contract until such rights and obligations are assigned or transferred according to this paragraph.

5. Lien Priority and Enforcement. Pursuant to Section 399.014 of the PACE Act:

(a) Delinquent Installments will incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, that is, a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment will also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 16 below, penalties, interest, fees, and costs payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees that become due pursuant to the Financing Documents, may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on

which the Notice of Contractual Assessment Lien is recorded in the real property records of Gillespie County, Texas as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other advalorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Lender, Local Government, or Authorized Representative.

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment will be enforced by Local Government for the benefit of Lender, in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total principal amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender will be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014 (a-1) of the PACE Act, after the Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a "qualified improvement" or the project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

6. Written Contract Required by PACE Act. This Owner Contract constitutes a written contract for the Assessment between Property Owner and Local Government as required by Section 399.005 of the PACE Act. The Notice of Contractual Assessment Lien will be recorded in the real property records of Gillespie County, Texas as public notice of the contractual Assessment, in accordance with the requirements of Section 399.013 of the PACE Act.

7. Qualified Improvements. Property Owner agrees that all improvements purchased, constructed, or installed through the Financing obtained pursuant to this Owner Contract will be permanently affixed to the Property and will transfer with the Property to the transferee in the event of a sale or transfer of the Property. Property Owner agrees to provide to Authorized

Representative within 30 days after the completion of the Project a verification by an independent third party reviewer (“ITPR”) that the project was properly completed and is operating as intended. Property Owner agrees that Lender may retain the final advance of Financing until such verification is submitted or require Property Owner to pay liquidated damages for a failure to do so, according to paragraph 19 below.

8. Water or Energy Savings. For so long as the Assessment encumbers the Property, Property Owner agrees, on or before January 31st of each year, to report to Authorized Representative the water or energy savings realized through the Project in accordance with the reporting requirements established by Authorized Representative.

9. Construction and Definitions. This Owner Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein have the meanings ascribed to them in the PACE Program and/or the PACE Act.

10. Binding Effect. This Owner Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted by this Owner Contract shall be in writing and delivered by first-class mail or by electronic mail, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Owner Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Owner Contract constitutes the entire agreement between Local Government and Property Owner with respect to the subject matter hereof and may not be amended or altered in any manner except by a document in writing executed by both parties.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This Owner Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the usury limit, the interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the

amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Owner Contract.

17. Costs. No provision of this Owner Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

18. Further Assurances. Property Owner further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this Owner Contract as may be reasonably necessary or required.

19. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender will withhold _____% of the Financing until verification that the Project was properly completed and is operating as intended is provided to Authorized Representative by an Independent Third Party Reviewer ("ITPR), or Property Owner will pay liquidated damages to Lender of \$ _____ per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner within 30 days after completion of the Project, such verification shall be submitted by Lender. If the Lender Contract includes requirements related to the construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit D attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

Name: _____

Title: _____

Address: _____

Email address: _____

STATE OF TEXAS §

COUNTY OF [REDACTED] §

_____ (print name)

SIGNATURE PAGE TO
PACE OWNER CONTRACT [1 OF 2]

LOCAL GOVERNMENT:

FREDERICKSBURG, TEXAS

By: ALAMO AREA COUNCIL OF GOVERNMENTS
AUTHORIZED REPRESENTATIVE
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: _____

Title: _____

Address: _____

Email Address: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF _____ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by [NAME], [TITLE], [ORGANIZATON], a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

(print name)

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A

NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO
PROPERTY ASSESSED CLEAN ENERGY ACT

EXHIBIT B

MORTGAGE HOLDER(S) CONSENT

EXHIBIT C
FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:
Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

Financing Documents

Document Title	Parties	Date Executed

EXHIBIT D

CONSTRUCTION TERMS

Retainage or Liquidated Damages:

Lender will retain _____% of the Financing until a report of completion by a qualified Independent Third Party Reviewer ("ITPR") is provided to Authorized Representative.

OR

Property Owner will pay liquidated damages to Lender of \$_____ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.

Additional Construction Terms

Date	Draw down Amount	Purpose

REPORT REQUIRED BY TEXAS LOCAL GOVERNMENT CODE SECTION 399.009
FOR PROPOSED MUNICIPAL
PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

This Report is adopted by the City Council for the City of Fredericksburg, Texas Property Assessed Clean Energy (PACE) Program (**the “Program”**) in accordance with the requirements of the Property Assessed Clean Energy Act (**the “PACE Act”**) as set forth in Texas Local Government Code Chapter 399.

The City and its constituents benefit when older existing buildings are modified with new technology and equipment that increases energy efficiency and reduces water consumption. As described in this Report, the City is establishing the commercial PACE Program to encourage private sector investment in energy efficiency and water conservation. The PACE Program will be offered to property owners on a strictly voluntary basis and will not require the use of any public funds or resources.

Authorized under the PACE Act enacted in 2013, the PACE program is an innovative financing program that enables private sector owners of privately owned commercial, industrial, and multi-family residential properties with five or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits. PACE loans provide up to 100% financing of all project costs, with little or no up-front out-of-pocket cost to the owner. The City has chosen to follow the administrative principles, program processes, and model documents of the uniform Texas PACE in a Box model program.¹

Loans made under the PACE Program will be secured by assessments on the property that are voluntarily imposed by the owner. Assessments may be amortized over the projected life of the improvements. The utility cost savings derived from improvements financed with PACE loans are expected to equal or exceed the amount of the assessment. In turn, these improvements are able to generate positive cash flow upon installation because the debt service will be less than the savings.

PACE assessments are tied to the property and follow title from one owner to the next. Each owner is responsible only for payment of the assessments accruing during its period of ownership. When the property is sold, the payment obligation for the remaining balance of the assessment is transferred automatically to the next owner. As a result, the program will help property owners overcome market barriers that often discourage investment in energy efficiency and water conservation improvements.

1. Eligible Properties

¹ <https://www.keepingpaceintexas.org/pace-in-a-box>

The City of Fredericksburg PACE program is a strictly voluntary program. All private sector owners of Eligible Properties located within the City PACE region may participate in PACE financing. ***“Eligible Properties”*** include commercial, industrial, and multi-family residential properties with five or more dwelling units. Government, residential², and undeveloped property and property undergoing development at the time of the assessment are not Eligible Properties.

2. Qualified Improvements

PACE financing may be used to pay for Qualified Improvements to Eligible Properties.

“Qualified Improvements” are permanent improvements intended to decrease water or energy consumption or demand, including a product, device, or interacting group of products or devices on the customer’s side of the meter that use energy technology to generate electricity, provide thermal energy, or regulate temperature. Under the PACE Act, products or devices that are not permanently fixed to real property are not considered to be Qualified Improvements.

The following items may constitute Qualified Improvements:

- High efficiency heating, ventilating and air conditioning (“HVAC”) systems
- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment

3. Benefits of PACE to Property Owners

The PACE program will enable owners of Eligible Properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between landlords and tenants, and uncertainty of recouping the investment upon sale of the property.

By financing Qualified Improvements through the program, property owners may achieve utility cost savings that exceed the amount of the assessment and reduce their exposure to utility price volatility. As a result, the value of the property will be enhanced, and the owner will only be obligated to pay the assessment installments that accrue during its period of ownership of the property. Additionally, by investing in energy efficiency and water conservation with PACE financing, property owners may also qualify for various rebate, tax credit, and incentive

² This encompasses single family residential and any multi-family properties with fewer than five units.

programs offered by utility providers and state or federal governmental authorities to encourage these types of investments.

4. Benefits of PACE to the City

Among other things, projects financed through PACE will:

- Enable property owners and occupants to save substantial amounts in utility costs,
- Reduce demand on the electricity grid
- Mitigate greenhouse gas emissions associated with energy generation
- Enhance the value and efficiency of existing buildings
- Boost the local economy by creating new job opportunities and new business opportunities for contractors, engineers, commercial lenders, professionals, and equipment vendors and manufactures
- Increase business retention and expansion in the PACE region by enabling cost effective energy and water saving updates to existing property
- Improve productivity through optimized energy usage
- Support the State's water conservation plan
- Better enable the City to meet its water conservation goals

Finally, through the reduction in energy consumption as a result of the PACE program, there will be a decreased demand for power resulting in lower emissions from power plants. EPA regulations have significant impacts on air quality standards in Texas. For example, the most recent adjustment in the NAAQS to a lower standard increased the difficulty for the City to remain in attainment under the Clean Air Act. Being non-attainment for priority pollutants in the Clean Air Act endangers federal transportation funding.

The PACE program requires minimal support from the City. It is designed to be self-sustaining. Furthermore, because the PACE program is tax neutral, it achieves all of the benefits listed in this Report without imposing a burden on the City's general fund.

The 84th Texas Legislature added a provision that explicitly shields the City and its employees, members of the governing body of a local government, employees of a local government, and board members, executives, employees, and contractors of a third party who enter into a contract with a local government to provide administrative services for a program under this chapter.³

5. The Benefits of PACE to Lenders

PACE loans are attractive to lenders because they are very secure investments. Like a property tax lien, the assessment lien securing the PACE loan has priority over other liens on the property. Therefore, the risk of loss from non-payment of a PACE loan is low compared to most other types of loans. PACE assessments provide lenders with an attractive new product to assist existing and new customers in addressing an almost universal pent-up demand for needed

³ TX. Local Gov't Code §399.019. In the 85th legislature, HB 2654 clarified that the personal immunity provisions apply to all elected officials performing rights and duties under chapter 399 of the Local Government Code.

commercial and industrial property equipment modernization. In order to protect the interests of holders of existing mortgage loans on the property, the PACE Act requires their written consent to the PACE assessment as a condition to obtaining a PACE loan.

6. The Benefits of PACE to Contractors, Engineers, and Manufacturers

PACE loans provide attractive sources of financing for water and energy saving retrofits and upgrades, thereby encouraging property owners to make substantial investments in existing commercial and industrial buildings. As a result, PACE will unlock business opportunities for contractors, engineers, and manufacturers throughout the commercial and industrial sectors.

7. Administration of the City of Fredericksburg PACE Program

Under the PACE Act, the establishment and operation of the program are considered to be governmental functions.⁴ The PACE Act further authorizes the City to enter into a contract with a third party to provide administrative services for the PACE program (the “**Authorized Representative**”). City will delegate administration of the PACE program to the Alamo Area Council of Governments through an interlocal agreement.

The Authorized Representative’s role is to serve as an extension of the local government staff to provide oversight of the program to ensure best practices and consumer protections at the lowest possible cost to the property owner in a transparent and ethical manner and to provide education and outreach.

The Authorized Representative will be funded by administrative fees paid by the property owners establishing a PACE project, charitable grants or other authorized sources of revenue. The Authorized Representative will not receive compensation or reimbursement from the City.

8. Eligible Lenders

The PACE Act does not set criteria for financial institutions or investors to be PACE lenders. The City will follow best practices of the Texas PACE in a Box model program by recommending that lenders be:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business
- Small business investment company;
- Any publicly traded entity; or
- Any private entity that:
 - Has a minimum net worth of \$5 million; and
 - Has at least three years’ experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has

⁴ TX Local Government Code §399.003(b)

- at least three years' experience in business or industrial lending or commercial real estate lending; and
- Can provide independent certification as to availability of funds; and
- All lenders must have the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.

Any lender can participate in the PACE program as long as it is a financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts. The property owner, not the City or the Authorized Representative, selects the lender.

The Authorized Representative will not guarantee or imply that funding will automatically be provided from a third-party lender, imply or create any endorsement of, or responsibility for, any lender; or create any type of express or implied favoritism for any eligible lender.

9. Components of the PACE Program

As required under Section 399.009 of the PACE Act, the following describes all aspects of the PACE Program:

- a. Map of Region. A map of the boundaries of the region included in the program is attached to this Report as Exhibit 1. The region encompasses the City limits [and its extra-territorial jurisdiction].
- b. Form Contract with Owner. A form contract between the City of Fredericksburg, Texas and the record owner of the Eligible Property is attached as Exhibit 2. It specifies the terms of the assessment under the PACE program and the financing to be provided by an Eligible Lender of the property owner's choosing.
- c. Form Contract with Lender. A form contract between City of Fredericksburg, Texas and the Eligible Lender chosen by a property owner is attached to this Report as Exhibit 3. It specifies the financing and servicing of the debt through assessments.

Form Notice of Contractual Assessment Lien. A form Notice of Assessment Lien to be filed by the City with the County Clerk is attached to this Report as Exhibit 4.

- d. Qualified Improvement. The following types of projects are qualified improvements that may be subject to contractual assessments under the PACE program:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial or residential real property with five (5) or more

dwelling units;⁵ and (b) are intended to decrease energy or water consumption or demand by installing a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.⁶

A sample list of potential Qualified Improvements appears in Section 2 above.

The PACE program may not be used to finance improvements to undeveloped lots or lots undergoing development at the time of the assessment, or for the purchase or installation of products or devices not permanently fixed to real property.⁷

- e. Authorized Representative. HB 3187 was signed into law on June 16, 2015. It authorizes the City to delegate administration of the PACE program to a third-party "Authorized Representative." The City of Fredericksburg intends to delegate all official administrative responsibilities, such as the execution of individual contracts with property owners and lenders, to the Alamo Area Council of Governments as the Authorized Representative, through an interlocal agreement. This relationship will be monitored and maintained by the City Manager or his designee or department.
- f. Project Review. Track and provide a public overview with savings metrics for all PACE projects
- g. Plans for Insuring Sufficient Capital⁸. Lenders will extend loans to finance Qualified Improvements. Financing documents executed between owners and lenders will impose a contractual assessment on Eligible Property to repay the owner's financing of the Qualified Improvements. The lenders will ensure that property owners demonstrate the financial ability to fulfill the financial obligations to be repaid through contractual assessments.
- h. No Use of Bonds or Public Funds. The City of Fredericksburg does not intend to issue bonds or use any other public monies to fund PACE projects. Property owners will obtain all financing from the Eligible Lenders they choose.
- i. Limit on Length of Loan. One of the statutory criteria of a PACE loan is that the assessment payment period cannot exceed the useful life of the Qualified Improvement that is the basis for the loan and assessment. As part of the application process, the property owners will submit an independent third-party review prepared by a licensed engineer showing the water or energy baseline

⁵ TX. Local Gov't Code §399.002(5).

⁶ TX. Local Gov't Code §399.002(3).

⁷ TX. Local Gov't Code §399.004.

⁸ The Texas PACE Authority's website (www.texaspaceauthority.org) offers a non-exhaustive list of interested and qualified lenders to assist property owners in funding PACE projects in Texas.

conditions and the projected water or energy savings. This review will aid the Authorized Representative in making a determination that the period of the requested assessment does not exceed the useful life of the Qualified Improvement.

- j. Application Process. The Authorized Representative will accept applications from property owners seeking to finance Qualified Improvements under the program. Each application must be accompanied by the required application fee and must include:
- (1) A description of the specific Qualified Improvements to be installed or modified on the property,
 - (2) A description of the specific real property to which the Qualified Improvements will be permanently fixed, and
 - (3) The total amount of financing, including any transaction costs, to be repaid through assessments.

Based on this information, the Authorized Representative may issue a preliminary letter indicating that, subject to verification of all requirements at closing, the proposed project appears to meet program requirements. Based on this preliminary letter, the property owner may initiate an independent third-party review of the project and submit the project to Eligible Lenders for approval of financing.

Once the above processes are completed, the property owner will submit the application to the Authorized Representative to obtain preliminary approval. The property owner is expected to produce the following documentation prior to closing on the PACE loan:

- (1) A Report conducted by a qualified, independent third-party reviewer, showing water or energy baseline conditions and the projected water or energy savings, or the amount of renewable energy generated attributable to the project;
 - (2) Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
 - (3) All other information required by the Authorized Representative.
- k. Financial Eligibility Requirements. The Authorized Representative will determine whether the owner, the property and the improvements are eligible for financing under the program. The Eligible Lender chosen by the owner will determine whether the owner has demonstrated the financial ability to repay the financial obligations to be collected through contractual assessments. The statutory method⁹ for ensuring such a demonstration of financial ability must be based on appropriate underwriting factors, including the following:

⁹ TX. Local Gov't Code §399.009(b).

(1) verification that the person requesting to participate in the program is the legal record owner of the benefitted property,
(2) the applicant is current on mortgage and property tax payments,
(3) the applicant is not insolvent or in bankruptcy proceedings,
(4) the title of the benefitted property is not in dispute; and
(5) there is an appropriate ratio of the amount of the assessment to the assessed value of the property. The City determines that a 20% loan to assessed value of the property is appropriate and acknowledges that in some circumstances a variance of this ratio may be appropriate. The Authorized Representative will consider factors in a variance request, including:

- (a) What is the existing debt to assessed value of the property prior to closing the PACE loan?
- (b). What is the estimated fair market value of the property? How was the value determined (e.g., market appraisal, desktop appraisal, insurance valuation, etc.)?
- (c). What is the estimated post-renovation fair market value of the property (including an explanation on how this value was determined)?

The City determines to be eligible for PACE financing, the projected savings derived from the Qualified Improvement must be greater than the cost of the PACE assessment and lien over the life of the assessment (i.e., the Savings to Investment Ratio (SIR) should be greater than one, $SIR > 1$). A third-party lender and a for profit-property owner may request a waiver in writing for a project with an $SIR < 1$ and address the interests of tenants and future property owners. The Authorized Representative may consider factors in a variance request including:

- (a). Are there other environmental benefits such as air or water quality or resiliency that are not captured in the SIR analysis;
- (b) Will the proposed qualifying improvements generate environmental marketable credits that can be monetized?
- (c). What is the SIR calculation for the project (how far below 1?);
- (d). If the SIR is < 1 over the term of the assessment, is the $SIR > 1$ over the useful life of the equipment?
- (e). What is the impact of a variance request on affected third parties? and
- (f) Other information the owner and lender wish to submit regarding the impact of the qualified improvements on the company and the community.

- l. Mortgage Holder Notice and Consent. As a condition to the execution of a written contract between the Authorized Representative and the property owner imposing an assessment under the program, the holder of any mortgage lien on the property must be given notice of the owner's intention to participate in the program on or before the 30th day before the date the contract is executed, and the owner must obtain the written consent of all mortgage holders.¹⁰
- m. Imposition of Assessment. The Authorized Representative will enter into a written contract with the property owner, only after:
 - (1) The property owner delivers to the Authorized Representative written consent of all mortgage lien holders;
 - (2) The Authorized Representative's determination that the owner and the property are eligible to participate in the program, that the proposed improvements are reasonably likely to decrease energy or water consumption or demand, and that the period of the requested assessment does not exceed the useful life of the Qualified Improvements; and
 - (3) The Eligible Lender notifies the Authorized Representative that the owner has demonstrated the financial ability to fulfill the financial obligations to be repaid through contractual assessments.

The contract will impose a contractual assessment on the owner's Eligible Property to repay the lender's financing of the Qualified Improvements. The Eligible Lender will file "A Notice of Contractual Assessment Lien," in substantially the form in Exhibit 4 in the Official Public Records of Gillespie County, Texas, depending on where the Eligible Property is located, as notice to the public of the assessment, from the date of filing. The contract and the notice must contain the amount of the assessment, the legal description of the property, the name of the property owner, and a reference to the statutory assessment lien provided under the PACE Act.

- n. Collection of Assessments. The execution of the written contract between the Authorized Representative and the property owner and recording of the Notice of Contractual Assessment Lien incorporate the terms of the financing documents executed between the property owner and with the lender to repay the financing secured by the assessment. The third-party lender will advance financing to the owner, and the terms for repayment will be such terms as are agreed between the lender and the owner. Under the form lender contract attached as Exhibit 3, the lender or a designated servicer will agree to service the debt secured by the assessment.¹¹

With funds from the lender, the property owner can purchase directly the equipment and materials for the Qualified Improvement and contract directly, including through lease, power purchase agreement, or other service contract, for

¹⁰ TX. Local Gov't Code §399.010.

¹¹ The servicer will be responsible for maintaining payment records, account balances, and reporting to the Authorized Representative as required.

The lender will receive the owner's assessment payments to repay the debt and remit to the Authorized Representative any administrative fees. The lender will have the right to assign or transfer the right to receive the installments of the debt secured by the assessment, provided all of the following conditions are met:

- o. Verification Review. After a Qualified Improvement is completed, the Authorized Representative will require the property owner to provide verification by a qualified independent third-party reviewer that the Qualified Improvement was properly completed and is operating as intended.¹² The verification report conclusively establishes that the improvement is a Qualified Improvement and the project is qualified under the PACE program.¹³
- p. Marketing and Education Services. The Program Administrator will provide service provider training workshops for contractors, engineers, property managers and other stakeholders, provide outreach and education for all stakeholders including presentations, conference booths and individual meetings, and provide written and electronic materials such as case studies, flyers, and webinars.
- q. The City may subsequently enter into agreements with one or more other local governments or non-profit organizations that promote energy and water conservation and/or economic development to provide marketing and education services for the PACE program.
- r. Quality Assurance and Antifraud Measures. The Authorized Representative will institute quality assurance and antifraud measures for the Program. The Authorized Representative will review each PACE application for completeness and supporting documents through independent review and verification procedures. The application and required attachments will identify and supply the information necessary to ensure that the property owner, the property itself,

13 TX Local Government Code §399.011(a-1)

and the proposed project all satisfy PACE program underwriting and technical standard requirements. Measures will be put in place to provide safeguards, including a review of the energy and water savings baseline and certification of compliance with the technical standards manual from an independent third-party reviewer (ITPR), who must be a registered professional engineer, before the project can proceed. This review will include a site visit, report, and a letter from the ITPR certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR will conduct a final site inspection and determine whether the project was completed and is operating properly. The reviewer's certification will also include a statement that the reviewer is qualified and has no financial interest in the project.

- s. Delinquency. Under the terms of the form lender contract attached as Exhibit 3, if a property owner fails to pay an agreed installment when due on the PACE assessment, the lender will agree to take at least the following steps to collect the delinquent installment:
- (1) Mail to the owner a written notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, and
 - (2) Mail to the owner a second notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, at least 30 days after the date of the first notice if the delinquency is continuing.

If the owner fails to cure the delinquency within 30 days after mailing the second notice of delinquency, the lender may notify the Authorized Representative of the owner's default. Pursuant to Texas Local Government Code Section 399.014(c), the Authorized Representative will initiate steps for the City to enforce the assessment lien in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, of the Texas Constitution. Delinquent installments will incur penalties and interest in the same manner and at the same rate as delinquent property taxes, according to Texas Local Government Code Section 399.014(d), and such statutory penalties and interest will be due to the City to offset the cost of collection.

If the City files suit to enforce collection, the City may also recover costs and expenses, including attorney's fees, in a suit to collect a delinquent installment of an assessment in the same manner and at the same rate as in suit to collect a delinquent property tax. If a delinquent installment of an assessment is collected after the filing of a suit, the City will remit to the lender the net amount of the delinquent installments and contractual interest collected and remit to the Authorized Representative the amount of any administrative fees collected but will retain any statutory penalties, interest, and attorney's fees collected.

EXHIBIT 1

MAP OF THE CITY OF FREDERICKSBURG PACE REGION

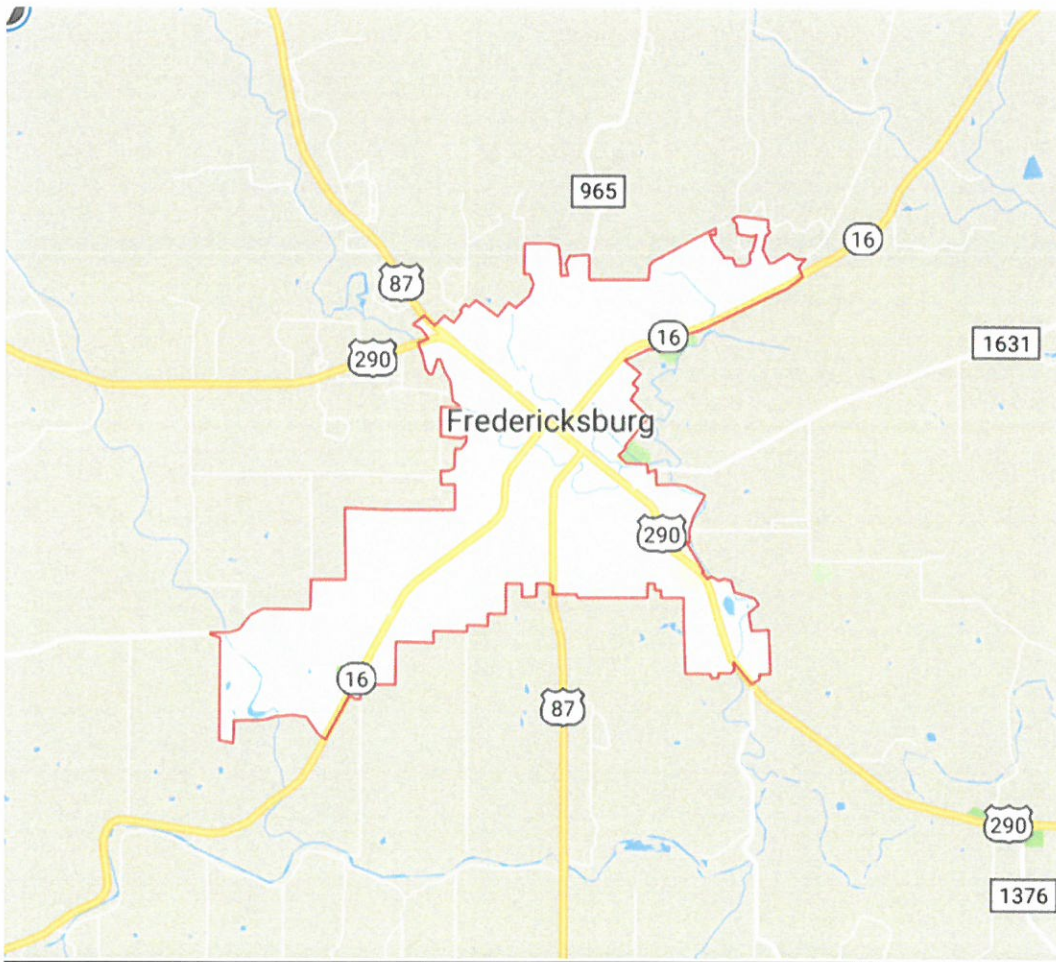


EXHIBIT 2
FORM OWNER CONTRACT

EXHIBIT 3
FORM LENDER CONTRACT

EXHIBIT 4

FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT

THE CITY OF FREDERICKSBURG CITY COUNCIL
RESOLUTION OF INTENT
TO ESTABLISH A CITY OF FREDERICKSBURG PACE PROGRAM

STATE OF TEXAS §
 §
CITY OF FREDERICKSBURG §

WHEREAS, The 83rd Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the "PACE Act"), which allows the governing body of a local government, including a City, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease water or energy consumption or demand; and

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and large multifamily residential real property in the City will further the goals of energy and water conservation without cost to the public; and

WHEREAS, the City Council finds that financing energy and water conserving projects through contractual assessments ("PACE financing") furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, and conserving water resources; and

WHEREAS, the City Council subject to the public hearing scheduled as provided below, at which the public may comment on the proposed program and the report issued contemporaneously with this resolution, finds that it is convenient and advantageous to establish a program under the PACE Act and designate the entire geographic area within the City's jurisdiction as a region within which a designated City authorized representative and the record owners of qualified real property may enter into PACE financing arrangements:

THEREFORE, be it resolved by the City Council that:

1. The Recitals to this Resolution are true and correct and are incorporated into this Order for all purposes.
2. The City of Fredericksburg hereby adopts this Resolution of Intent and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose.
3. The City of Fredericksburg intends to make contractual assessments to repay PACE financing for qualified energy or water conserving projects available to owners of commercial, industrial, and large multifamily residential real property. The program is to be called The City of Fredericksburg Property Assessed Clean Energy Program ("Fredericksburg PACE").
4. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments: Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real

property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

5. The boundaries of the entire geographic area within the City's jurisdiction are the boundaries of the region where PACE financing and assessments can occur. [A City PACE program may include its ETJ].
6. Financing for qualified projects under the PACE program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the City's authorized representative to service the assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to contracts executed between the lenders and the owners. The lender contracts will provide that the City will maintain and continue the assessments for the benefit of such lenders and enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the PACE program.
7. The City intends to enter into an interlocal agreement with the Alamo Area Regional Council of Government, which will serve as the independent third-party Authorized Representative.
8. The City will consult with the County Tax Assessor/Collector for Gillespie County.
9. The report on the proposed PACE program prepared as provided by Tex. Local Gov't Code Sec. 399.009, is available for public inspection on the City's internet website and in the office of the City Manager at 126 West Main Street, Fredericksburg, TX. 78764, and is incorporated in this resolution and made a part hereof for all purposes.
10. The City Council will hold a public hearing on the proposed PACE program and report on [date] at [redacted].m. in the Law Enforcement Center, 1601 East Main Street, Fredericksburg, Texas.

Adopted this ____ day of _____, 20__.

Honorable Linda Langerhans, Mayor

Honorable Charlie Keihne

Honorable Gary Neffendorf

Honorable Tom Musselman

Honorable Bobby Watson

STATE OF TEXAS §
CITY OF FREDERICKSBURG §

Agenda Packet Page 160

2. Establishment of Program. The City of Fredericksburg hereby adopts this Resolution Establishing the City of Fredericksburg Property Assessed Clean Energy Program (“Fredericksburg PACE”), herein called “the Program,” and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose and is convenient and advantageous to the City and its citizens.
3. Contractual Assessments. The City will, at the property owner’s request, impose contractual assessments on the property to repay PACE financing for qualified energy and water conserving projects available to owners of privately owned commercial, industrial, and large multifamily property.
4. Qualified Projects. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer’s side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

5. Region. The boundaries of the entire geographic area within the City’s jurisdiction are included in the boundaries of the region where PACE financing and assessments can occur. [A City program can include its ETJ].
6. Third- Party Financing. Financing for qualified projects under the Program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the Authorized Representative to service the debt through assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to financing documents executed between the lenders and the owners. The City will maintain and continue the assessments for the benefit of such lenders and will enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the City’s PACE program.
7. Authorized Representative. The City Council will enter into an interlocal agreement with the Alamo Area Council of Governments (AACOG) through which AACOG will act as the Authorized Representative with authority to enter into written contracts with the record owners of real property in City to impose assessments pursuant to the PACE Act to repay the financing of qualified projects on the owners’ property, to enter into written contracts with the parties that provide third-party financing for such projects to service the debts through assessments, and to file written notice of each contractual assessment in the real property records of Gillespie County, all on behalf of the City. The Authorized

Representative may. make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute. The City Manager or his designee will be the liaison with the Authorized Representative.

8. Enforcement. The City will enforce the collection of past due assessments and may contract with a qualified law firm to assist in collection efforts.
9. Report. The final report on the - PACE program, prepared in accordance with Section 399.009 of the Texas Local Government Code is attached and incorporated into this resolution. The City will post the resolution and report on the City's website.
10. Amendment of Program. The City Council may amend the City's PACE Program by resolution. However, another public hearing is required before the Program may be amended to provide for City financing of qualified improvements through assessments.

Adopted this ___ day of ___, 20__.

Honorable Linda Langerhans, Mayor

Honorable Charlie Keihne

Honorable Gary Neffendorf

Honorable Tom Musselman

Honorable Bobby Watson

[INSERT FINAL REPORT]

Future Agenda Items

City Council

November 4, 2019 Regular Meeting

City Council = Red

4th and 18th Regular Meetings @ 6p.m.

12th Special Meeting @ 6 p.m.

Planning & Zoning = Green

Historic Review Board = Purple

Board of Adjustment = Blue

City Events = Yellow

11th Veteran's Day

28th and 29th Thanksgiving Holidays

Sun	Mon	Tues	Wed	Thur	Fri	Sat
			2	3	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Recognitions:

Consent

1. 10-21-19 City Council Regular Meeting Minutes
2. 10-29-19 City Council Workshop Meeting Minutes

Ordinances

Resolutions:

Public Hearing

Approvals-Misc.

1. Award bid for Consultant Services, HOT collections, STR permitting, & Sales Tax Discovery and Recovery Services
2. Market Platz Redevelopment
 - a. Consider hiring an Architect Firm
 - b. Set up a separate bank account for funds

Presentations, Discussions and Updates:

1. Boot Ranch Update

Executive Session

November 18, 2019

Regular Meeting

Recognitions:

Consent

1. 11-4-19 City Council Regular Meeting Minutes

Ordinances

Resolutions:

Public Hearing

Approvals-Misc.

1. Second amendment to the Agreement with Boot Ranch
2. Lift Station easement from Boot Ranch to the City
3. Approve purchase of restroom at LBJ Park

Presentations, Discussions and Updates:

Executive Session