NOTICE OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, NOVEMBER 21, 2016

6:00 P.M.

Notice is hereby given of a meeting of the Tomball City Council, to be held on Monday, November 21, 2016 at 6:00 P.M., City Hall, 401 Market Street, Tomball, Texas 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball City Council reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1.0 Call to Order

2.0 Invocation

- Led by American Legion Post 127

3.0 Pledges to U.S. and Texas Flags

- Led by Members of the Tomball High School/Memorial High School Student Councils

4.0 Public Comments and Receipt of Petitions *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.]*

5.0 Reports and Announcements

- November 24-25 – **Thanksgiving Holidays** – City offices closed
- December 9-11, 2016 – **Tomball German Christmas Market**
- December 10, 2016 – ***"Christmas on Commerce"*** – a **2nd Saturday at the Depot Event**
- December 23 and 26, 2016 – **Christmas Holidays** – City offices closed
- January 2, 2017 – **New Year's Day Holiday** – City offices closed
- Reports by City staff and members of council about items of community interest on which no action will be taken:
    - Denise Fiore – Report on the success of the ***4th Annual "Holiday Lamp Post Stroll"***
    - Glenn Windsor – Quarterly Investment Report for the period ending September 30, 2016. The Public Funds Investment Act requires that a report of the City's investments be presented to Council on a quarterly basis. The investment report includes a listing of all investments together with information relating to diversification, cost vs. market values, yield information, and weighted average maturities. On September 30, 2016, the City had total cash equivalents and investments totaling $49,064,249. A copy of the report is attached for review.

6.0 Approve the Minutes of the November 7, 2016 Regular Council Meeting

7.0 New Business:

7.1 Approve Resolution No. 2016-25, A Resolution of the City Council of the City of Tomball, Texas Approving an Agreement regarding the Construction of Improvements between the City of Tomball, Texas, and the Tomball Economic Development Corporation

7.2 Adopt, on First and Final Reading, Ordinance No. 2016-29, an Ordinance of the City of Tomball, Texas, an Ordinance Authorizing the Issuance and Sale of the City of Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016; Levying a Tax and Providing for the Security and Payment Thereof; and Enacting Other Provisions Relating Thereto

7.3 Consideration and possible action to approve, as a Project of the Tomball Economic Development Corporation, an agreement with Premium Interests, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the relocation and development of its business operations to be located at 22502 Park Rd., Tomball, Texas. The estimated amount of expenditures for such Project is $19,150.00.

7.4 Approve, on First Reading, Resolution No. 2016-26-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Brandt Construction LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs for the promotion of new or expanded business enterprise related to the construction of a new commercial facility to be located on a 2.3291-acre tract of land at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375. The estimated amount of expenditures for such Project $65,694.00.

7.5 Accept and Approve Dedication of Sidewalk Easement by Ernest Grandinetti to the City of Tomball for a 5-Ft. Wide Strip of Land Containing 500 Square Feet, Lying Adjacent to the West Line of Lot 19 in Block 19, Revised Map of Tomball, Harris County, Recorded in Volume 4, Page 25 of the Map Records of Harris County, Texas

7.6 Award Contract for Bid No. 2017-03, Sale of Improvements Located at 114 Fannin Street, to Rodney K. Hutson, in the Amount of $100 and Lot 10, Block 5 of Tomball Outlots with Contingencies

7.7 Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.071 - Consultation with the City Attorney regarding a matter that the Attorney's duty requires to be discussed in closed session.

7.8 Terminate the Professional Services Agreement with LJA Engineering and Approve the Professional Services Agreement for Engineering Services to Gunda Corporation for the M121 East & West Drainage Channels & Detention Basin Final Design

8.0 Adjournment

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 17th day of November 2016 by 5:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Doris Speer

Doris Speer
City Secretary, TRMC

This facility is wheelchair accessible and accessible parking spaces are available Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please feel free to contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY ALSO BE VIEWED ONLINE AT www.ci.tomball.tx.us.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

- Led by American Legion Post 127

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda:

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

- Led by Members of the Tomball High School/Memorial High School Student Councils

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda:

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:

- November 24-25 – **Thanksgiving Holidays** – City offices closed
- December 9-11, 2016 – **Tomball German Christmas Market**
- December 10, 2016 – ***"Christmas on Commerce"*** – a **2nd Saturday at the Depot Event**
- December 23 and 26, 2016 – **Christmas Holidays** – City offices closed
- January 2, 2017 – **New Year's Day Holiday** – City offices closed
- Reports by City staff and members of council about items of community interest on which no action will be taken:
  - Denise Fiore – Report on the success of the ***4th Annual "Holiday Lamp Post Stroll"***
  - Glenn Windsor – Quarterly Investment Report for the period ending September 30, 2016. The Public Funds Investment Act requires that a report of the City's investments be presented to Council on a quarterly basis. The investment report includes a listing of all investments together with information relating to diversification, cost vs. market values, yield information, and weighted average maturities. On September 30, 2016, the City had total cash equivalents and investments totaling $49,064,249. A copy of the report is attached for review.

Background:

Origination:
Various

Recommendation:
N/A

Party(ies) responsible for placing this item on agenda:
City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

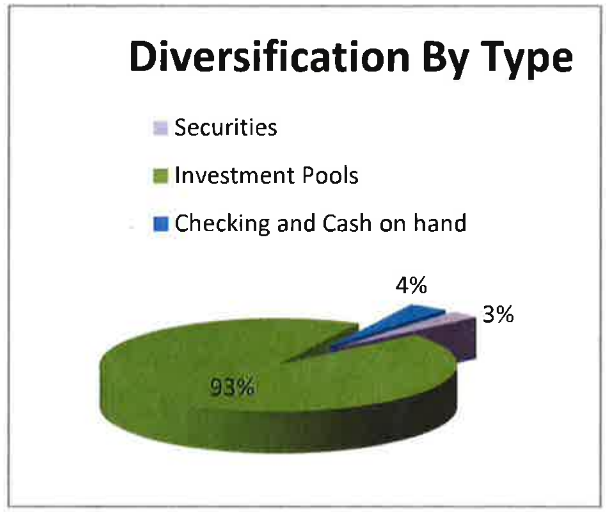
ATTACHMENTS:

Quarterly Investment Report for the period ending September 30, 2016

CITY OF TOMBALL
PORTFOLIO DIVERSIFICATION
September 30, 2016

By Type

		Current Market Value	Percent Portfolio
Securities	$	1,400,843	2.86%
Investment Pools		45,887,663	93.53%
Checking and Cash on hand		1,775,743	3.62%
Total Portfolio	$	49,064,249	

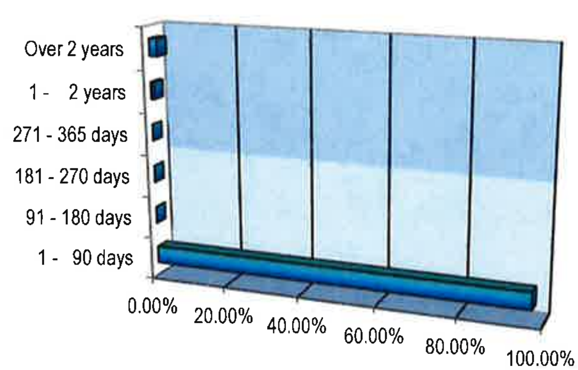


Safety of principal is the first priority of any Public investing portfolio. The City of Tomball invests in Securities of Federal, State and Local Governments, in Texas CLASS and in the state pool, TexPool. These investments are in securities with a rating of A-1/P-1 or higher and pools with Standard & Poor's highest rating of AAAm. Our charter requires that we maintain reserves of no less than 90 days and no more than one year of the current budgeted expenditures. The City currently has reserves in excess of the charter requirement.

By Maturity

		Current Market Value	Percent Portfolio
1 - 90 days	$	47,663,406	97.14%
91 - 180 days		-	-
181 - 270 days		-	-
271 - 365 days		-	-
1 - 2 years		385,692	0.79%
Over 2 years		1,015,151	2.07%
Total Portfolio	$	49,064,249	

Diversification by Maturity



Ensuring adequate liquidity is available to cover all expenditures is the second priority of any public investing program. The City staff forecasts cash flow and ladders the maturity of investments to ensure funds are adequate when needed. A portion of funds are kept in overnight investments as a buffer for any unexpected expenditures. These overnight investments (TexPool, Texas CLASS) have been performing according to market in the yield category as well as providing liquidity.

CITY OF TOMBALL
INVESTMENT PORTFOLIO SUMMARY
ACTIVITY FOR QUARTER ENDING
September 30, 2016

ALL CITY FUNDS (POOLED)

INVESTMENTS	COST	MARKET	RATIO	YTM at COST	BENCHMARK YTM**
Beginning of period	1,411,524	1,414,362	1.0020	1.130%	0.45%
Purchases	-	-			
Maturities	-	-			
Change in value	-	(13,519)			
Sales					
End of period	1,411,524	1,400,843	0.9924	1.130%	0.59%

Total Accrued Interest at end of period: $ 6,678

**Benchmark security is the One-year U. S. Treasury Bill
Weighted average maturity of the portfolio at quarter end is 943 days.

This report is in compliance with the investment strategies as approved and the Public Funds Investment Act.

Treasurer

Asst. Treasurer

CITY OF TOMBALL
INVESTMENTS IN SECURITIES
PORTFOLIO AS OF SEPTEMBER 30, 2016

	SECURITY DESCRIPTION	CUSIP NUMBER	RATING	MATURITY DATE	INTEREST YIELD	MARKET VALUE	DA AFT 09/3
1)	Kansas St. Dev. Fin. Auth. Revenue- 2.608%	485429Y32	A+	4/15/2020	1.300%	515,000	
2)	Federal Farm Credit Bank - 1.25%	3133EFV38	AA+	3/29/2019	1.250%	500,151	
3)	Boerne, TX- 2.00%	097041LE5	AA	3/1/2018	0.840%	385,692	
	TOTALS				**1.130%**	**1,400,843**	

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CITY OF TOMBALL
CASH AND CASH EQUIVALENTS
FOR QUARTER ENDING
September 30, 2016

FUNDS	CASH AND CASH EQUIVALENTS					INV
MAJOR FUNDS	TEXAS CLASS	TEXPOOL	OPERATING ACCOUNT	CASH ON HAND	TOTAL CASH AND CASH EQUIVALENTS	INVESTMEN SECURITIES
General	$ 2,539,918	$ 9,071,179	$ 301,429	$ 1,800	$ 11,914,326	$ 515,
Debt Service	$ 951,724	$ 2,972,216	$ 23,081	$ -	$ 3,947,021	$ 385,6
Enterprise	$ 2,706,619	$ 4,182,880	$ 807,846	$ 600	$ 7,697,945	$ 500,
OTHER FUNDS						
Special Revenue	$ 76,198	$ 14,151	$ 29,140	$ -	$ 119,489	$
Municipal Court Building Security	$ 101,597	$ 150,040	$ 3,117	$ -	$ 254,754	$
Municipal Court Technology	$ 60,958	$ 183,297	$ 26,116	$ -	$ 270,371	$
Hotel Occupancy Tax	$ 101,597	$ 394,754	$ 38,141	$ -	$ 534,492	$
Red Light Camera Program	$ -	$ 686,521	$ 92,141	$ -	$ 778,662	$
Tomball "Fun Runs"	$ -	$ -	$ 17,983	$ -	$ 17,983	$
General Capital Projects	$ 50,798	$ 12,773,382	$ 72,066	$ -	$ 12,896,246	$
Business Park	$ -	$ 2,080,145	$ -	$ -	$ 2,080,145	$
Fleet Replacement	$ 457,185	$ 1,277,664	$ 67,462	$ -	$ 1,802,311	$
Water Capital Recovery	$ 101,597	$ 1,746,467	$ 14,924	$ -	$ 1,862,988	$
Sewer Capital Recovery	$ 152,395	$ 1,944,482	$ 670	$ -	$ 2,097,547	$
Health Insurance Trust	$ -	$ 1,089,856	$ 279,227	$ -	$ 1,369,083	$
Tomball Legacy Fund	$ -	$ 20,043	$ -	$ -	$ 20,043	$
TOTALS	$ 7,300,586	$ 38,587,077	$ 1,773,343	$ 2,400	$ 47,663,406	$ 1,400,

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:
Approve the Minutes of the November 7, 2016 Regular Council Meeting

Background:

Origination:
City Secretary

Recommendation:
N/A

Party(ies) responsible for placing this item on agenda:
City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Draft Minutes of November 7, 2016 Regular Council Meeting

MINUTES OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, NOVEMBER 7, 2016

6:00 P.M.

1.0 Call to Order

The Council meeting was called to order at 6:00 p.m. by Mayor Fagan. Other members present:

Councilman Hudgens
Councilman Stoll
Councilman Degges
Councilman Townsend
Councilman Klein Quinn

Others present:

City Manager – George Shackelford
Assistant City Manager – Robert Hauck
City Secretary – Doris Speer
City Attorney – Loren Smith
Fire Chief – Randy Parr
Marketing Director – Mike Baxter
HR Director – Lisa Coe
Director of Public Works – David Esquivel
Director of Community Development – Craig Meyers
Assistant City Planner – Amelia Lindley
IT Manager – Doug Tippey
IT Specialist – Ben Lato
Executive Director-TEDC – Kelly Violette
Police Detective – James Harral

2.0 The invocation was led by Steve Allison, Chaplain, VFW 2427.

3.0 Pledges to U. S. and Texas Flags were led by Alanna Ford and Garrett Minor, members of Tomball Memorial High School Student Council.

4.0 The following public comment was received:

Rodney Hutson 9431 Rosie Lane, 77354	-	Expressed his support for the restoration of the Old City Hall and his opposition to leasing the building to a for-profit organization.

5.0 Mayor Fagan made the following presentations:

- Proclamation – ***"Dovie Taylor - 95th Birthday" Celebration Day***
- Eagle Scout Heinze Emil Weidmann – Presentation of Eagle Scout Letter

6.0 Reports and Announcements:

- November 12, 2016 – **2nd Saturday at the Depot**
- November 18, 2016 – ***"Downtown Holiday Lamp Post Stroll"***
- November 19, 2016 – ***51st Annual Tomball Holiday Parade***
- November 24-25 – **Thanksgiving Holidays**; City offices will be closed
- December 9-11, 2016 – **Tomball German Christmas Market**
- December 10, 2016 – ***"Christmas on Commerce"*** – a **2nd Saturday at the Depot Event**
- December 23 and 26, 2016 – **Christmas Holidays** – City offices closed
- January 2, 2017 – **New Year's Day Holiday** – City offices closed
- Reports by City staff and members of Council about items of community interest on which no action will be taken:
  - Lisa Coe reported on the success of the ***"4th Annual "Paces4Pink" 5K Run/Walk*** *and* ***1 Mile Run/Walk".*** Mayor Fagan presented a check in the amount of $8,065.94 to LeeAnn Kroon, Executive Director of TOMAGWA.
  - Mike Baxter – Report on the success of the "**5th Annual Tomball** ***Bluegrass Festival"***
  - Doug Tippey – Update regarding GIS Project
  - Kelly Violette – The Tomball Economic Development Corporation received a **Merit Recognition Award** at the Texas Economic Development Council's 2016 Community Economic Development Awards (CEDA) Luncheon on October 20, 2016
  - Craig Meyers – Community Development Department received the "**Planning Excellence Award**"

7.0 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve the Minutes of the October 17, 2016 Regular Council Meeting.

Motion carried unanimously.

8.0 Old Business:

8.1 Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt, on Second Reading, Ordinance No. 2016-27, an Ordinance of the City of Tomball, Texas, Amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by Changing the Zoning District Classification of Approximately 11.898 Acres of Land, Legally Described as 11.898 Acres of Land Situated in the Sam Lewis Survey, Abstract Number 1704, City of Tomball, Harris County, Texas, Being a Portion of That Certain Called 160.3 Acres of Land Described in Deed and Recorded under Volume 942, Page 191 of the Deed Records of Harris County, Texas, within the City of Tomball, Harris County, Texas, from the Agricultural District to the Commercial District; Said Property Being Generally Located at the Southeast Corner of SH 249 Bypass and Alice Road; Providing for the Amendment of the Official Zoning Map of the City; Providing for Severability; Providing for a Penalty of an Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof, Making Findings of Fact; and Providing for Other Related Matters. Vote was as follows:

Councilman Hudgens	Aye
Councilman Stoll	Aye
Councilman Degges	Aye
Councilman Townsend	Aye
Councilman Klein Quinn	Aye

Motion carried unanimously.

9.0 New Business:

9.1 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve Request by The Houston Repertoire Ballet (HRB) for Financial Support for Six Performances of "The Nutcracker" Ballet, held December 2 - 4, 2016 at the Tomball High School Theatre, in the Amount of $12,500.

Motion carried unanimously.

9.2 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve an Agreement with the Tomball Sports Association for the City of Tomball to Reimburse Expenditures for Improvements at the Wayne Stovall Sports Complex.

Motion carried unanimously.

9.3 Motion was made by Councilman Townsend, second by Councilman Quinn, to proceed with the necessary remediation activities for the Old City Hall Building, Located at 107 N. Cherry Street. Additional consideration regarding the future of the building will be considered following remediation.

Motion carried unanimously.

9.4 Motion was made by Councilman Stoll, second by Councilman Townsend, to approve the recommended amendments to Administrative Policy No. 23, entitled "Park Reservation Policy".

Motion carried unanimously.

9.5 Motion was made by Councilman Townsend, second by Councilman Stoll, to authorize the City Manager to Execute the Renewal of the Public Safety Corporation (Crywolf) Contract for an Additional Three-Year Term with Two (2) One-Year Extensions.

Motion carried unanimously.

9.6 Executive Session: The City Council recessed at 7:10 p.m. into Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.071 - Consultation with the City Attorney regarding a matter that the Attorney's duty requires to be discussed in closed session.

Upon reconvening into Regular Session at 7:55 p.m., the following action was taken:

9.7 Consideration to Terminate the Professional Services Agreement with LJA Engineering and Approve the Professional Services Agreement for Engineering Services to Gunda Corporation for the M121 East & West Drainage Channels & Detention Basin Final Design was postponed, at the request of Council.

No action taken.

10.0 Motion was made by Councilman Townsend, second by Councilman Degges, to adjourn.

Motion carried unanimously.

Meeting adjourned.

PASSED AND APPROVED this the _______ day of _________ 2016.

Doris Speer, TRMC, CMC	Gretchen Fagan
City Secretary	Mayor

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

Approve Resolution No. 2016-25, A Resolution of the City Council of the City of Tomball, Texas Approving an Agreement regarding the Construction of Improvements between the City of Tomball, Texas, and the Tomball Economic Development Corporation

Background:

This item is for the approval of Resolution 2016-25 which will approve the agreement between the City and the Tomball Economic Development Corporation (TEDC) whereby the TEDC will make payments to the City in amounts sufficient to pay
$ 4,000,000 in the principal amount of the Certificates allocated to the TEDC's portion of the project as described below. These annual payments are shown in Exhibit A of the attached Resolution which was approved by the TEDC Board on November 15, 2016.

The City of Tomball, Texas (the "City") and the Tomball Economic Development Corporation ("TEDC") wish to proceed with the following project: the acquisition of land for and the construction and equipment of an extension of Persimmon Street and Medical Complex Drive, including related storm sewer, drainage and water, sewer and gas utility improvements (collectively, the "Project"). This project will be financed through the issuance of $ 18,900,000 in Certificates of Obligation. The payment schedule for the TEDC will begin in the fiscal year 2020 with the last payment being in 2037.

Origination:

Finance

Recommendation:

Approval of Resolution No. 2016-25

Party(ies) responsible for placing this item on agenda:

Glenn Windsor, CPA Finance Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2016-25

RESOLUTION NO. 2016-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING AN AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS BETWEEN THE CITY OF TOMBALL, TEXAS AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION

THE STATE OF TEXAS	**§**
COUNTIES OF HARRIS AND MONTGOMERY	**§**
CITY OF TOMBALL	**§**

WHEREAS, the City of Tomball, Texas (the "City") and the Tomball Economic Development Corporation (the "Corporation") wish to proceed with the following: the acquisition of land for and the construction and equipment of an extension of Persimmon Street and Medical Complex Drive, including related storm sewer, drainage and water, sewer and gas utility improvements (collectively, the "Project"); and

WHEREAS, the City and Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Certificates of Obligation (the "Certificates"), with the agreement of the Corporation to make payments to the City in amounts sufficient to pay $4,000,000 in principal amount of the Certificates allocated to the Corporation's portion of the Project; and

WHEREAS, the City and the Corporation wish to enter into an agreement to set forth the terms and conditions for the City's issuance of the Certificates and the Corporation's payment of $4,000,000 in principal amount of the Certificates; **Now Therefore,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1: The City Council hereby approves the Agreement Regarding the Construction of Improvements between the City and the Corporation in substantially the form attached hereto as **Exhibit A** (the "Agreement"), with such changes as may be approved by the City Manager, and authorizes the Mayor to execute and the City Secretary to attest such Agreement.

Section 2: This resolution shall take effect immediately from and after its passage by the City Council of the City.

[Execution Page to Follow]

PASSED, APPROVED AND EFFECTIVE on the 21st day of November, 2016.

___________________________________	___________________________________
City Secretary City of Tomball, Texas	Mayor City of Tomball, Texas

[SEAL]

EXHIBIT A

AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS

THE STATE OF TEXAS §
COUNTIES OF HARRIS AND MONTGOMERY §

This Agreement Regarding the Construction of Improvements (the "Agreement") is entered into as of the 21st day of November, 2016, between the CITY OF TOMBALL, TEXAS, a home rule municipality situated in Harris and Montgomery Counties, Texas (the "City") and the TOMBALL ECONOMIC DEVELOPMENT CORPORATION, a non-profit economic development corporation (the "Corporation") created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (formerly Article 5190.6, Vernon's Texas Revised Civil Statutes) (the "Act").

RECITALS

At an election held within the City on January 15, 1994, the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for economic development purposes.

The Corporation was formed pursuant to the Act for the purpose, among others, of financing projects authorized by the Act. Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

The City is a home rule municipality with a population of less than 20,000.

In accordance with the Act, the City and the Corporation now wish to proceed with the acquisition of land for and the construction and equipment of an extension of Persimmon Street and Medical Complex Drive, including related storm sewer, drainage and water, sewer and gas utility improvements (collectively, the "Project").

The Corporation hereby finds, determines and declares that the Project is an authorized project of the Corporation under the Act that will promote or develop new or expanded business enterprises that create or retain primary jobs.

The City and the Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its Tax and Revenue Certificates of Obligation, Series 2016 (the "Certificates"), with the agreement of the Corporation to make payments to the City from the Additional Sales Tax in amounts sufficient to pay the $4,000,000 in principal amount of the Certificates allocated to the EDC's portion of the Project as and when it becomes due, all as more specifically detailed in the schedule described in Section 1.04(b) of this Agreement.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

The City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECTS

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The City agrees to prepare or cause to be prepared all plans and specifications required for the construction of the Project.

(b) The City agrees to contract with all individuals or entities necessary to complete the Project in accordance with the plans, specifications and other construction documents. The City will provide all construction and contract management services in connection with the construction of the Project. The public infrastructure improvements being financed with the Certificates will be owned by the City.

(c) The costs of constructing the Project shall be payable from Certificate proceeds or other funds to be paid by the Corporation.

Section 1.03 Issuance of the Certificates. Subject to applicable legal restrictions, the City agrees to issue and sell the Certificates and to use the applicable portion of the proceeds from the sale of the Certificates to pay the costs of the Project and the costs of issuing the Certificates.

Section 1.04 Use of Additional Sales Tax. (a) The Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City in amounts equal to the principal amount of the portion of the Certificates issued for the Project and any bonds issued to refund such portion of the Certificates when due as provided in Schedule I of this Agreement, which is incorporated herein for all purposes. Unless it receives the prior written consent of the City, the Corporation shall make such payments to the City prior to using the Additional Sales Tax, and any interest earned thereon, for any other lawful purposes of the Corporation.

(b) The Corporation agrees to pay to the City amounts sufficient to make each Project payment described in Schedule I at least fifteen (15) days before each principal payment on the Certificates or any bonds issued to refund the Certificates is due.

(c) The Corporation agrees that it will maintain an unencumbered fund balance of not less than $2,000,000 at all times during the term of this Agreement.

(d) The Corporation agrees that during the term of this Agreement it will not borrow any money, issue any bonds or notes without the written approval of the City.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(b) The City agrees to take and pursue all action permissible under applicable law to cause the Additional Sales Tax to be collected and remitted and deposited with the Corporation as required by the Act, at the earliest and most frequent times permitted by applicable law.

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.

Section 2.02 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with this Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from December 20, 2016 until the date on which the Certificates or bonds issued to refund the Certificates are paid in full.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the parties hereto.

Section 3.03 Merger. This Agreement embodies the entire understanding between the parties hereto and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 3.06 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

[Execution Page Follows]

EXECUTED in multiple counterparts as of the date first written above.

CITY OF TOMBALL, TEXAS

By:__________________________________
Mayor

ATTEST:

By:__________________________________
City Secretary

TOMBALL ECONOMIC
DEVELOPMENT CORPORATION

By:__________________________________
Vice President, Board of Directors

ATTEST:

By:__________________________________
Secretary, Board of Directors

SCHEDULE I

Project Payment Schedule

Principal Maturity Date (February 15)	Project Payments
2020	$ 222,222
2021	222,222
2022	222,222
2023	222,222
2024	222,222
2025	222,222
2026	222,222
2027	222,222
2028	222,222
2029	222,222
2030	222,222
2031	222,222
2032	222,222
2033	222,222
2034	222,222
2035	222,222
2036	222,222
2037	222,226
Total	**$ 4,000,000**

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTIES OF HARRIS AND MONTGOMERY §
CITY OF TOMBALL §

I, the undersigned officer of the City Council of City of Tomball, Texas, hereby certify as follows:

1. The City Council of City of Tomball, Texas convened in a regular meeting on the 21st day of November, 2016, at the regular meeting place thereof within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Gretchen Fagan	Mayor
F.S. "Field" Hudgens	Council Member, Position #1
Mark Stoll	Council Member, Position #2
Chad Degges	Council Member, Position #3
Derek Townsend Sr.	Council Member, Position #4
Lori Klein Quinn	Council Member, Position #5, Mayor Pro Tem

and all of said persons were present, except the following absentee(s): __________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION NO. 2016-25

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING AN AGREEMENT REGARDING THE CONSTRUCTION OF IMPROVEMENTS BETWEEN THE CITY OF TOMBALL, TEXAS AND THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

AYES: ______

NOES: ______

ABSTENTIONS: ______

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in

the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED the _____ day of November, 2016.

____
City Secretary
City of Tomball, Texas

[SEAL]

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:
Adopt, on First and Final Reading, Ordinance No. 2016-29, an Ordinance of the City of Tomball, Texas, an Ordinance Authorizing the Issuance and Sale of the City of Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016; Levying a Tax and Providing for the Security and Payment Thereof; and Enacting Other Provisions Relating Thereto

Background:
This item is for the adoption of Ordinance No. 2016-29 which will, once adopted, authorize the issuance and sale of the City of Tomball, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016 in an amount not to exceed
$ 20,750,000.

These Certificates carry a current credit rating of AA+ by Standard and Poor's which is the same as our last upgrade and one step from being AAA. Moody's maintained their same rating as before at Aa3. A copy of those ratings is attached along with a copy of the ordinance.

These Certificates will be issued in the amount of $ 18,900,000 for costs associated with the construction and equipment of streets, sidewalks and traffic signals, including the extension of storm sewer and drainage improvements, the acquisition of land for the extension of Medical Complex Drive and Persimmon Street; the construction and equipment of storm sewer and drainage improvements; the acquisition of land for the extension of Medical Complex Drive and Persimmon Street and related utilities and drainage improvements; the construction of improvements to the City's water, sewer, and gas utility facilities; and the cost of professional services incurred in connection with the these projects.

Origination:
Finance

Recommendation:
Adoption of the Ordinance

Party(ies) responsible for placing this item on agenda:
Glenn Windsor, CPA Finance Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Ordinance No. 2016-29
Stanard & Poor's Rating

Moody's Rating

ORDINANCE NO. 2016-29

AUTHORIZING THE
ISSUANCE OF

CITY OF TOMBALL, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2016

Adopted: November 21, 2016

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MISCELLANEOUS

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF TOMBALL, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016; LEVYING A TAX AND PROVIDING FOR THE SECURITY AND PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
COUNTY OF HARRIS §
CITY OF TOMBALL §

WHEREAS, under the provisions of Subchapter C, Chapter 271, Texas Local Government Code, as amended (the "Act"), the City of Tomball, Texas (the "City"), is authorized to issue certificates of obligation for the purposes specified in this Ordinance and for the payment of all or a portion of the contractual obligations for professional services, including that of engineers, attorneys, and financial advisors in connection therewith, and to sell the same for cash as herein provided; and

WHEREAS, the City is authorized to provide that such obligations will be payable from and secured by the levy of a direct and continuing ad valorem tax, within the limits prescribed by law, against all taxable property within the City, in combination with a limited pledge of a subordinate lien on the net revenues of the City's water and sewer system (the "System") in an amount not to exceed $1,000 as authorized by the Act and Chapter 1502, Texas Government Code; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interests of the City and its citizens that it issue such certificates of obligation authorized by this Ordinance; and

WHEREAS, pursuant to a resolution previously passed by this governing body, notice of sale of certificates of obligation of the City payable as provided in this Ordinance was published in a newspaper of general circulation in the City in accordance with the laws of the State of Texas, which notice provided that the principal amount of such certificates of obligation would be in an amount not to exceed $20,750,000 and the proceeds would be used for the purpose of paying contractual obligations to be incurred for the purposes set forth in Section 3.1 hereof; and

WHEREAS, such notice provided that the City tentatively planned to consider the passage of an ordinance authorizing the issuance of the Certificates on November 21, 2016; and

WHEREAS, no petition of any kind has been filed with the City Secretary, any member of the City Council or any other official of the City, protesting the issuance of the Certificates; and

WHEREAS, this City Council is now authorized and empowered to proceed with the issuance of the Certificates and to sell the same for cash; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

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

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Bond Counsel" means Bracewell LLP.

"Business Day" means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

"Certificate" or "Certificates" means the City's certificates of obligation entitled, "City of Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016" authorized to be issued by Section 3.1 of this Ordinance.

"City" means the City of Tomball, Texas.

"Closing Date" means the date of the initial delivery of and payment for the Certificates.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulation promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Dated Date" means December 15, 2016.

"Debt Service Fund" means the debt service fund established by Section 2.2 of this Ordinance.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Fiscal Year" means such fiscal year as shall from time to time be set by the City Council.

"Initial Certificate" means the initial certificate authorized by Section 3.4 of this Ordinance.

"Initial Purchaser" means the initial purchaser of the Certificates identified in Section 7.1 of this Ordinance.

"Interest Payment Date" means the date or dates upon which interest on the principal of the Certificates is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing on August 15, 2017.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenues" means the revenues to be derived from the System, after the payment of all operation and maintenance expenses thereof.

"Ordinance" as used herein and in the Certificates means this ordinance authorizing the Certificates.

"Owner" means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

"Paying Agent/Registrar" means initially The Bank of New York Mellon Trust Company, N.A., or any successor thereto as provided in this Ordinance.

"Paying Agent Registrar Agreement" means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Certificates.

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

"Register" means the bond register specified in Section 3.6(a) of this Ordinance.

"Regulations" means the applicable, proposed, temporary or final Treasury Regulations promulgated under the Code, or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Representation Letter" means the Blanket Letter of Representations between the City and DTC.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"System" as used in this Ordinance means the City's water and sewer system.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of principal, redemption premium, if any, or interest on the Certificates as the same becomes due and payable or money set aside for the payment of Certificates duly called for redemption prior to maturity and remaining unclaimed by the Owners of such Certificates for 90 days after the applicable payment or redemption date.

Section 1.2. Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

(d) Article and section references shall mean references to articles and sections of this Ordinance unless otherwise designated.

ARTICLE II

TAX LEVY; DEBT SERVICE FUND; PLEDGE OF REVENUES

Section 2.1. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Certificates, being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the City most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Debt Service Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Certificates when and as due and payable in accordance with their terms and this Ordinance and associated expenses.

(d) To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 2.2. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the "City of Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016 Debt Service Fund" (the "Debt Service Fund") with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Debt Service Fund shall be used solely for the purpose of paying the interest on and principal of the Certificates when and as due and payable and associated costs in accordance with their terms and this Ordinance.

Section 2.3. Pledge of Revenues.

The Net Revenues to be derived from the operation of the System in an amount not to exceed $1,000 are hereby pledged to the payment of the principal of and interest on the Certificates as the same come due; provided, however, that such pledge is and shall be junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, that the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates. The revenues of the System available after the payment of all operation and maintenance expenses of the System, any debt service payable from gross revenues or Net Revenues of the System, if any, as well as other payments, costs or expenses designated in an ordinance authorizing the issuance of System revenue obligations may be used for any lawful purpose of the City.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.1. Authorization.

The City's "City of Tomball, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016" are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Subchapter C, Chapter 271, Texas Local Government Code, as amended. The Certificates shall be issued in the aggregate principal amount of [$18,900,000] for costs associated with (i) the construction and equipment of streets, sidewalks and traffic signals, including the extension of Medical Complex Drive and Persimmon St.; (ii) the construction and equipment of storm sewer and drainage improvements; (iii) the acquisition of land for the extension of Medical Complex Drive and Persimmon St. and related utilities and drainage improvements; (iv) the construction of improvements to the City's water, sewer, and gas utility facilities; and (v) the cost of professional services incurred in connection therewith.

Section 3.2. Date, Denomination, Maturities, and Interest.

(a) The Certificates shall be dated the Dated Date. The Certificates shall be in fully registered form, without coupons, in the denomination of $5,000 or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Certificate, which shall be numbered I-1.

(b) The Certificates shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2018	$_______	_____ %	2028	$_______	_____ %
2019	_______	_____	2029	_______	_____
2020	_______	_____	2030	_______	_____
2021	_______	_____	2031	_______	_____
2022	_______	_____	2032	_______	_____
2023	_______	_____	2033	_______	_____
2024	_______	_____	2034	_______	_____
2025	_______	_____	2035	_______	_____
2026	_______	_____	2036	_______	_____
2027	_______	_____	2037	_______	_____

(c) Interest shall accrue and be paid on each Certificate respectively until the principal amount thereof has been paid or provision for such payment has been made, from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on each Interest Payment Date, computed on the basis of a 360-day year composed of twelve 30-day months.

Section 3.3. Medium, Method, and Place of Payment.

(a) The principal of and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be paid by check dated as of the Interest Payment Date, and sent United States mail, first class, postage prepaid, by the Paying Agent/Registrar to each Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of each Certificate shall be paid to the Owner thereof on the Maturity Date or upon prior redemption upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) If the date for the payment of the principal of or interest on the Certificates is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the fifteenth day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Certificates to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Certificates thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Certificates, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to Title 6, Texas Property Code.

Section 3.4. Execution and Registration of Certificates.

(a) The Certificates shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Certificate (the "Initial Certificate"), representing the entire principal amount of the Certificates, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and the City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Underwriter or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel such Initial Certificate and deliver to DTC on behalf of the Underwriter registered definitive Certificates as described in Section 3.9. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.5. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof, for the purpose of making and receiving payment of the interest thereon (subject to the provisions herein that the interest is to be paid to the person in whose name the Certificate is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Certificate shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.6. Registration, Transfer, and Exchange.

(a) So long as any Certificates remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) The ownership of a Certificate may be transferred only upon the presentation and surrender of the Certificate to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other instrument of transfer and assignment as is acceptable to the Paying Agent/Registrar. No transfer of any Certificate shall be effective until entered in the Register.

(c) The Certificates shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Certificate or Certificates of the same maturity and interest rate and in any denomination or denominations of any integral multiple of $5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Certificates presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Certificates transferred or exchanged in accordance with this Section. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificate being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Certificates. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Certificate.

(f) Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled balance of a Certificate.

Section 3.7. Cancellation.

All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of such cancelled Certificates in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.8. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.9. Book-Entry-Only System.

(a) The definitive Certificates shall be initially issued in the form of a separate single fully registered Certificate for each maturity. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book entry only form to DTC as securities depository, is hereby ratified and approved for the Certificates.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the City determines that it is in the best interest of the City and the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Certificates and cause the Paying Agent/Registrar to transfer one or more separate registered Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments and Notices to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates shall be made and given, respectively, in the manner provided in the Representation Letter of the City to DTC.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.2. Optional Redemption.

(a) The City has reserved the right to redeem at its option the Certificates maturing on and after February 15, 2027, in whole or from time to time in part before their respective scheduled maturity dates, on February 15, 2026, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

(b) The City, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Certificates to be redeemed.

Section 4.3. [Mandatory Sinking Fund Redemption.

(a) The Certificates designated as "Term Certificates" in the form of Certificate contained in Section 6.2(a) ("Term Certificates"), are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the form of Certificate contained in Section 6.2(a).

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Certificates to be redeemed, shall call such Term Certificates for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.5.

(c) The principal amount of the Term Certificates required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.3 shall be reduced, at the option of the City, by the principal amount of any Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

Section 4.4. Partial Redemption.

(a) If less than all of the Certificates are to be redeemed pursuant to Section 4.2 hereof, the City shall determine the maturity or maturities (or mandatory sinking fund payment with respect to Term Certificates) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or other customary method that results in random selection, the Certificates, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Certificate of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Certificate is to be partially redeemed, the Paying Agent/Registrar shall treat each $5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(c) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.6 of this Ordinance, shall authenticate and deliver an exchange Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered, such exchange being without charge.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.5. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed and subject to Section 4.3 hereof, an identification of the Certificates or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Certificates under Section 4.2 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any

Certificates subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.6. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/ Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Certificates being redeemed.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Certificate to the date of redemption from the money set aside for such purpose.

Section 4.7. Effect of Redemption.

(a) When Certificates have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption. If the City shall fail to make provision for payment of all sums due on a redemption date, then any Certificate or portion thereof called for redemption shall continue to bear interest at the rate stated on the Certificate until due provision is made for the payment of same.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Certificate or portion thereof called for redemption shall continue to bear interest at the rate stated on the Certificate until due provision is made for the payment of same by the City.

Section 4.8. Lapse of Payment.

Money set aside for the redemption of the Certificates and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.3(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.1. Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints The Bank of New York Mellon Trust Company, N,A., Dallas, Texas, as its initial registrar and transfer agent (the "Paying Agent/Registrar") to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in the Ordinance.

(c) The form of Paying Agent/Registrar Agreement is hereby approved. The City hereby approves and the Mayor or Mayor Pro Tem and the City Secretary are hereby authorized to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

Section 5.2. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

Section 5.3. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.2 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

Section 5.4. Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor Paying Agent/Registrar has assumed the duties of Paying Agent/Registrar for the Certificates.

Section 5.5. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.6. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby and under the Paying Agent/Registrar Agreement.

Section 5.7. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.1. Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar and the Assignment to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The definitive Certificates, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

(d) The Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.2. Form of the Certificates.

The form of the Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) Form of Certificate.

REGISTERED NO. _____	REGISTERED $_________

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF HARRIS

CITY OF TOMBALL, TEXAS
TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2016

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP NUMBER:
__________%	February 15, 20__	December 15, 2016	______ ___

The City of Tomball (the "City"), in the County of Harris, State of Texas, for value received, hereby promises to pay to

____

or registered assigns, on the maturity date specified above, the sum of

________________________ DOLLARS

and to pay interest on such principal amount from the later of the Dated Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing on February 15, 2017.

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or such other location designated by the Paying Agent/Registrar (the "Designated Payment/Transfer Office"), of the Paying Agent/ Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Certificate is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for thirty days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which date shall be fifteen days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Certificate is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a "Business Day"), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Certificate is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of [$18,900,000], (herein referred to as the "Certificates"), issued pursuant to a certain ordinance of the City (the "Ordinance") for the costs associated with (i) the construction and equipment of streets, sidewalks and traffic signals, including the extension of Medical Complex Drive and Persimmon St.; (ii) the construction and equipment of storm sewer and drainage improvements; (iii) the acquisition of land for the extension of Medical Complex Drive and Persimmon St. and related utilities and drainage improvements; (iv) the construction of improvements to the City's water, sewer, and gas utility facilities; and (v) the cost of professional services incurred in connection therewith.

The City has reserved the right to redeem the Certificates maturing on and after February 15, 2027, in whole or from time to time in part before their respective scheduled maturity dates, on February 15, 2026, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Certificates, or portions thereof, within such maturity and in such principal amounts, for redemption.

[Certificates maturing on February 15, 20 (the "Term Certificates") are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

$ Term Certificates Maturing February 1, 20__

Mandatory Redemption Date	Principal Amount
February 15, 20__	$_______
February 15, 20__ (Maturity)	$_______

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Certificates (or with respect to Term Certificates having a denomination in excess of $5,000, each $5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Certificates required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Certificates to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

The City reserves the right to give notice of its election or direction to redeem Certificates pursuant to an optional redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Certificates called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Certificate or portion thereof has not been surrendered for payment, interest on such Certificates or portions thereof shall cease to accrue.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Certificate for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is registered on the Record Date) and for all other purposes, whether or not this Certificate be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IT IS FURTHER certified, recited and represented that the revenues to be derived from the operation of the City's water and sewer system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), are pledged to the payment of the principal of and interest on the Certificates in an amount not to exceed $1,000; provided, however, that such pledge is junior and subordinate in all respects to the pledge of the Net Revenues to the payment of all outstanding obligations of the City and any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Net Revenues, secured by a pledge of the Net Revenues that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of the Net Revenues securing the Certificates.

IN WITNESS WHEREOF, the City has caused this Certificate to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed or placed in facsimile on this Certificate.

____________________________	____________________________
City Secretary City of Tomball, Texas	Mayor City of Tomball, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. ___________________
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Certificate, and that this Certificate has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this ____________________.

	____________________________
[SEAL]	Comptroller of Public Accounts of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Certificate of this series of certificates of obligation was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Certificates referred to in the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent/Registrar

Dated: ________________________ By: ________________________________
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): ____________________________________

____

____

(Social Security or other identifying number: ____________________) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints ____________________ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____________________________

Signature Guaranteed By:

____

____
Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below"; and

(ii) in the first paragraph of the Certificate, the words "on the maturity date specified above, the sum of ______________ DOLLARS" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:"

(Information to be inserted from schedule in Section 3.2 of the Ordinance)

(iii) the Initial Certificate shall be numbered I-1.

Section 6.3. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates or any errors or omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor bond counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.4. Bond Insurance.

If bond insurance is obtained by the Initial Purchaser (hereinafter defined), the certificates may bear an appropriate legend as provided by the insurer.

Section 6.5. Legal Opinion.

The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each Certificate over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

SALE AND DELIVERY OF CERTIFICATES; DEPOSIT OF PROCEEDS; OFFICIAL STATEMENT

Section 7.1. Sale of Certificates.

The sale and delivery of the Certificates, having been duly advertised and offered for sale at competitive bid, are hereby sold and awarded to ________________________ (the "Initial Purchaser") for a purchase price equal to the principal amount thereof plus a cash premium of $__________, being the bid which produced the lowest true interest cost, subject to the approving opinion as to the legality of the Certificates of the Attorney General of Texas and the opinion of Bond Counsel. The Initial Certificate shall be registered in the name of the Initial Purchaser or its designee. The Mayor and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions to and to provide for the issuance and delivery of the Certificates.

Section 7.2. Deposit of Proceeds.

Proceeds from the sale of the Certificates shall, promptly upon receipt by the City, be applied as follows:

(a) The amount of $__________, consisting of $__________ principal amount of the Certificate proceeds, plus $__________ premium received from the sale of the Certificates, shall be used for the purposes set forth in Section 3.1 hereof.

(b) Premium from the sale of the Certificates in the amount of $__________ shall be used to pay the costs of issuance.

(c) Any amounts remaining after accomplishing such purposes and paying costs of issuance shall be applied for the purposes described in subsection (a) and once such purposes are accomplished, any remaining funds shall be deposited to the Debt Service Fund.

Section 7.3. Control and Delivery of Certificates.

(a) The Mayor of the City is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Certificates shall be made to the Underwriter under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) All officers of the City are authorized to execute such documents, certificates and receipts and to make such elections with respect to the tax-exempt status of the Certificates, as they may deem necessary to consummate the delivery of the Certificates.

Section 7.4. Official Statement.

The form and substance of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, is hereby ratified and approved, and has been deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. The City hereby authorizes and approves the preparation of a final Official Statement to add the terms of the Initial Purchaser's bid and other relevant information. The use of such final Official Statement in the reoffering of the Certificates by the Initial Purchaser is hereby approved and authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

ARTICLE VIII
PARTICULAR REPRESENTATIONS AND COVENANTS

Section 8.1. Payment of the Certificates.

On or before each Interest Payment Date while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Certificates as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 8.2. Other Representations and Covenants.

(a) The City will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the City will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 8.3. Provisions Concerning Federal Income Tax Exclusion.

(a) General. The City intends that the interest on the Certificates be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Code. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Certificates to be includable in the gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation or (ii) result in the violation of or failure to satisfy any applicable provision of Section 103 and 141 through 150 of the Code. In particular, the City covenants and agrees to comply with each requirement of this Section 8.4; provided, however, that the City will not be required to comply with any particular requirement of this Section 8.4 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates or (ii) compliance with some other requirement will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 8.4.

(b) No Private Use or Payment and No Private Loan Financing. The City will certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be "private activity bonds" within the meaning of section 141 of the Code. The City covenants and agrees that it will make such use of the proceeds of the Certificates, including interest or other investment income derived from Certificate proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Certificates will not be "private activity bonds" within the meaning of section 141 of the Code.

(c) No Federal Guaranty. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Certificates to be "federally guaranteed" within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) Certificates Are Not Hedge Bonds. The City covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Certificates to be "hedge bonds" within the meaning of section 149(g) of the Code.

(e) No-Arbitrage Covenant. The City will certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be "arbitrage bonds" within the meaning of section 148(a) of the Code. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Certificates including interest or other investment income derived from Certificate proceeds, regulate investments of proceeds of the Certificates, and take such other and further action as may be required so that the Certificates will not be "arbitrage bonds" within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Certificates (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Certificates as may be required to calculate the amount earned on the investment of the gross proceeds of the Certificates separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys do not represent gross proceeds of any Certificates of the City, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Certificates that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Certificates or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Certificates until three years after the last Certificate is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Certificates by the Internal Revenue Service.

(i) Registration. The Certificates will be issued in registered form.

(j) Deliberate Actions. The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Certificates to fail to meet any requirement of section 141 of the Code after the issue date of the Certificates unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the City takes such remedial action and the City receives a Counsel's Opinion that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 8.4 will survive the defeasance and discharge of the Certificates for so long as such matters are relevant to the exclusion from gross income of interest on the Certificates for federal income tax purposes.

ARTICLE IX

DISCHARGE

Section 9.1. Discharge.

The Certificates may be defeased, discharged or refunded in any manner now or hereafter permitted by applicable law.

ARTICLE X

CONTINUING DISCLOSURE UNDERTAKING

Section 10.1. Annual Reports.

(a) The City shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the City ending in or after 2017, financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 6 and Tables 8 through 14, and including financial statements of the City, if audited financial statements of the City are then available, and (ii) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 10.2. Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Certificates:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of Certificates, or other material events affecting the tax status of the Certificates;

(7) Modifications to rights of the holders of the Certificates, if material;

(8) Certificate calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Certificates, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

(b) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 10.1 of this Ordinance by the time required by such Section.

Section 10.3. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any redemption calls and any defeasances that cause the City to be no longer an "obligated person."

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Certificates, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. The provisions of this Article may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent the Underwriter of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 10.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Changes to Ordinance.

Bond Counsel is hereby authorized to make any changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

Section 11.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11.3. Repealer.

All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 11.4. Individuals Not Liable.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Certificates, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.5. Related Matters.

To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor, the Mayor Pro Tem, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient in order to consummate the delivery of the Certificates, pay the costs of issuance on the Certificates, and effectuate the terms and purposes of this Ordinance.

Section 11.6. Force and Effect.

This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Signature Page Follows]

FIRST AND FINAL READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 21st DAY OF NOVEMBER 2016.

COUNCILMAN HUDGENS	_______
COUNCILMAN STOLL	_______
COUNCILMAN DEGGES	_______
COUNCILMAN TOWNSEND	_______
COUNCILMAN QUINN	_______

____
City Secretary
City of Tomball, Texas

____
Mayor
City of Tomball, Texas

[SEAL]

Signature Page to Ordinance Authorizing Issuance of
City of Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF HARRIS §
CITY OF TOMBALL §

We, the undersigned officers of the City Council of the City of Tomball, Texas, hereby certify as follows:

1. The City Council of the City of Tomball, Texas, convened in a regular meeting on the 21st day of November, 2016, at the regular meeting place thereof, within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Gretchen Fagan	Mayor
Lori Klein Quinn	Mayor Pro Tem and Council Member, Position 5
F. S. "Field" Hudgens	Council Member, Position 1
Mark Stoll	Council Member, Position 2
Chad Degges	Council Member, Position 3
Derek Townsend, Sr.	Council Member, Position 4

and all of said persons were present, except the following absentee(s): ______________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. 2016-29

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF TOMBALL, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016; LEVYING A TAX AND PROVIDING FOR THE SECURITY AND PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

________ Member(s) of City Council shown present voted "Aye."

________ Member(s) of City Council shown present voted "No."

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting; that the

above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 21st day of November, 2016.

____
City Secretary
City of Tomball, Texas

S&P Global Ratings

500 North Akard Street
Lincoln Plaza, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.: 1461263

November 10, 2016

City of Tomball
501 James Street
Tomball, TX 77375
Attention: Mr. Glenn Windsor, Finance Director

Re: ***US$18,900,000 Tomball, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016, dated: December 15, 2016, due: February 15, 2037***

Dear Mr. Windsor:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA+". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street

New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings

a division of Standard & Poor's Financial Services LLC

jd
enclosures
cc: Mr. Spencer Day, Analyst
First Southwest Company

S&P Global
Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

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MOODY'S
INVESTORS SERVICE

Plaza of the Americas
600 North Pearl Street
Suite 2165
Dallas, TX 75201

November 11, 2016

Mr. Glenn Windsor
Tomball (City Of)
501 James Street
Tomball, TX 77375

Dear Mr. Windsor **:**

We wish to inform you that on November 10, 2016, Moody's Investors Service reviewed and assigned a rating of Aa3 to Tomball (City Of) TX, Combination Tax and Revenue Certificates of Obligation, Series 2016

Credit ratings issued by Moody's Investors Service, Inc. and its affiliates ("Moody's") are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility.

This letter uses capitalized terms and rating symbols that are defined or referenced either in *Moody's Definitions and Symbols Guide* or *MIS Code of Professional Conduct* as of the date of this letter, both published on www.moodys.com. The Credit Ratings will be publicly disseminated by Moody's through normal print and electronic media as well as in response to verbal requests to Moody's Rating Desk. Moody's related research and analyses will also be published on www.moodys.com and may be further distributed as otherwise agreed in writing with us.

Moody's Credit Ratings or any corresponding outlook, if assigned, will be subject to revision, suspension or withdrawal, or may be placed on review, by Moody's at any time, without notice, in the sole discretion of Moody's. For the most current Credit Rating, please visit www.moodys.com.

Moody's has not consented and will not consent to being named as an expert under applicable securities laws, such as section 7 of the Securities Act of 1933. The assignment of a rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of a Credit Rating. Moody's Credit Ratings are not and do not provide investment advice or recommendations to purchase, sell or hold particular securities. Moody's issues Credit Ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, sale or holding.

Moody's adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently validate or verify information received in the rating process. Moody's expects and is relying upon you possessing all legal rights and required consents to disclose the information to Moody's, and that such information is not subject to any restrictions that would prevent use by Moody's for its ratings process. In assigning the Credit Ratings, Moody's has relied upon the truth, accuracy, and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, and is relying upon you to, on an ongoing basis, promptly provide Moody's with all information necessary in order for Moody's to accurately and timely monitor the Credit Ratings, including current financial and statistical information.

Under no circumstances shall Moody's have any liability (whether in contract, tort or otherwise) to any person or entity for any loss, injury or damage or cost caused by, resulting from, or relating to, in whole or in part, directly or indirectly, any action or error (negligent or otherwise) on the part of, or other circumstance or contingency within or outside the control of, Moody's or any of its or its affiliates' directors, officers, employees or agents in

November 11, 2016

Mr.Glenn Windsor
Tomball (City Of)
501 James Street
Tomball, TX 77375

connection with the Credit Ratings. **ALL INFORMATION, INCLUDING THE CREDIT RATING, ANY FEEDBACK OR OTHER COMMUNICATION RELATING THERETO IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.**

Any non-public information discussed with or revealed to you must be kept confidential and only disclosed either (i) to your legal counsel acting in their capacity as such; (ii) to your other authorized agents acting in their capacity as such with a need to know that have entered into non-disclosure agreements with Moody's in the form provided by Moody's and (iii) as required by applicable law or regulation. You agree to cause your employees, affiliates, agents and advisors to keep non-public information confidential.

If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact Vladimir Puchek at 212-553-3792.

Sincerely,

Moody's Investors Service Inc

Moody's Investors Service Inc

cc: Spencer Day
Hilltop Securities Inc.
700 Milam Street Suite 500
Houston, TX 77002

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:

Consideration and possible action to approve, as a Project of the Tomball Economic Development Corporation, an agreement with Premium Interests, LLC to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the relocation and development of its business operations to be located at 22502 Park Rd., Tomball, Texas. The estimated amount of expenditures for such Project is $19,150.00.

Background:

All expenditures of the Tomball Economic Development Corporation (TEDC) sales tax revenue must first be approved as a "Project." At its regular meeting on November 15, 2016, the TEDC Board of Directors did take formal action to approve, as Project of the TEDC, an agreement with Premium Interests, LLC for the relocation and development of its operations to a 1.9970-acre tract of land located at 22502 Park Road, Tomball, TX 77377. The Tomball City Council has final approval authority over all projects and agreements of the TEDC.

Origination:

James W. Mohrfeld, CEO, Premium Interests, LLC

Recommendation:

Approve, as a Project of the Corporation, the Performance Agreement with Premium Interests, LLC.

Funding:

Yes

Account Number:Project Grants

Party(ies) responsible for placing this item on agenda:

Kelly Violette, Executive Director, Tomball Economic Development Corporation

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Cover Memo
Premium Interests Request Letter
Economic Impact Analysis Report
TEDC Performance Agreement

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: November 21, 2016

SUBJECT: Premium Interests LLC Performance Agreement

The TEDC has received a request from James and Helen Mohrfeld, owners of Premium Interests, LLC, for assistance with the relocation of their business operations from unincorporated Harris County to the City of Tomball. The Mohrfeld's have been in the valve and energy equipment business since 1981 and recently formed Premium Interests, LLC to be the entity to own and develop a 1.9970-acre tract of land located at 22502 Park Road, Tomball, TX 77377.

The site will be developed with an approximately 11,920-square foot engineering design and manufacturing facility that will house the "Premium" brand engineering and manufacturing businesses already in operation outside of Tomball city limits. These businesses, owned by James and Helen Mohrfeld, provide engineering design services and manufacture an array of equipment, principally valves. The associated companies are: PopI International, Inc. (dba Premium Solutions) and Premium Subsea, LLC.

Premium Solutions and Premium Subsea each contract engineering design services and operations management services under administrative agreements with Spec Services, Inc. which is owned and managed by Austin Mohrfeld, son of James and Helen Mohrfeld. Spec Services employs engineers, logistics professionals, manufacturing and administrative personnel to produce products under the Premium Subsea , PopI, and Premium Solutions brands.

The Tomball facility will house the management, engineering, logistics, manufacturing, and administrative staff of all these companies, currently operating out of a leased facility at 21912 Mueschke Road, Tomball, TX 77377. The project will result in the relocation of 6 full-time employees and will create 4 new employment positions in Tomball.

The estimated capital investment for the project is $1,888,137.00.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball's economy. Per the analysis, the estimated five-year net benefit to the city is $63,833.00. The proposed incentive is $19,150, based upon 30% of the 5-year net benefit.

Tomball Economic Development Commission – Request Letter for Project Grant

Submitted To:
Kelly Violette, AICP
Executive Director
Tomball Economic Development Corporation
29201 Quinn Rd., Suite B
Tomball, Texas 77375

Submitted by:
Premium Interests, LLC
c/o James and Helen Mohrfeld
14406 Spring Mountain Drive
Tomball, Texas 77377
October 27, 2016

Dear Kelly,

This letter is a request for funding assistance from the Tomball Economic Development Corporation through a Project Grant to Premium Interests, LLC for relocation of our business operations from unincorporated Harris County into the City of Tomball.

Premium Interests, LLC is wholly owned by James and Helen Mohrfeld. The company was formed in late 2015 to be the entity to own and develop property in Tomball for "Premium" brand engineering and manufacturing businesses already in operation outside of Tomball city limits. In April, 2016 Premium Interests purchased close to 2 acres of land in Tomball (platted as "Premium Acres" / located at 22502 Park Road), and Premium Interests is working with city officials, our contracted engineering / architectural firm, and a commercial builder / general contractor to plan, design, and construct a new 11,920 sq. ft. engineering design and manufacturing facility on Premium Acres. The physical address will be 22502 Park Road, Tomball, TX 77377. Purchase price of the land is $253,637. Construction is to begin as soon as possible, with expectation of starting by December 1, 2016 and completing in August, 2017. The estimated value of the new construction capital improvements is approximately $ 1.6 million. Premium Interests is the entity that owns the property and the planned building and improvements.

James and Helen Mohrfeld also are sole owners of associated companies which provide engineering design services and which manufacture an array of equipment, principally valves (NAICS Code 332911 – Industrial Valve Manufacturing). James and Helen have been in the valve and energy equipment business since 1981. The associated companies are:

- Popl International, Inc. (dba Premium Solutions) which employs James Mohrfeld and which provides engineering design, consulting, and specially manufactured products to our customers. Premium Solutions holds an ISO 9001 certification. Premium Solutions has been leasing approximately 4000 sq. feet of commercial space from a third party at Mueschke Road near 2920, west of the city limits of the City of Tomball, for approximately the past 4 years.
- Premium Subsea, LLC which provides engineering design, consulting, and specially manufactured products for subsea applications, primarily to the oil and gas exploration and production industry. Premium Subsea customers include the global energy majors such as Shell, BP, and Chevron. Subsea's principle product is a vent valve used on anchoring production platform equipment. Subsea is our primary operating company in terms of revenue.

Premium Solutions and Premium Subsea each contract engineering design services and operations management services under administrative agreements with Spec Services, Inc. which is owned and managed by Austin Mohrfeld, son of Helen and James Mohrfeld. Spec Services employs engineers, logistics professionals, manufacturing and administrative personnel to produce products under the Premium Subsea , Popl, and Premium Solutions brands.

The relocation to the City of Tomball will entail moving the management, engineering, logistics, manufacturing, and administrative staff of Premium Solutions, Premium Subsea, Premium Interests, and Spec Services from the leased Mueschke Road facility to the new Premium Acres facility. The current headcount among these companies is 6 full time employees, including owners, with a projected payroll for 2016 of $898,000 and 4 contractors with projected 2016 payments of $30,000. Headcount is expected to grow by 4 in our first full year in the new facility, and by 2 persons per year (one engineer plus one technician) in subsequent years. Average annual wage, including bonuses, is projected at $75,000 per added engineer and $45,000 per added technician.

The relocation will also involve moving our office and shop equipment , our inventory, as well as our CNC machining equipment. Estimated values for taxation of equipment is $50,000 and of inventory is $25,000. The current 4,000 sq. ft. facility outside of the City of Tomball has been constraining when large orders are processed. The new building at Premium Acres is planned for 11,920 sq. ft. with approximately one-quarter of that being office space, and the remainder being warehouse, fabrication, assembly, testing, and shipping space. It is envisioned that a second similar building could be built on the east portion of property in the future as the business expands.

The office section of the building will face Park Road. Under current plans, the building will be of metal construction with the street-facing façade and the front portion of the building side to be of a stucco-look finish with office windows and an distinctive entrance door. Customer and management parking will be in front of the office and additional employee parking will be in the paved parking lot on the side of the building. A driveway will be installed on Park Road to provide access to the paved parking lot. A pedestrian sidewalk will be constructed across the front of the property. The requisite detention basin is constructed to pump out water into county drainage. Attractive landscaping will be maintained at the front of the property and near the office. Additionally, a tasteful sign will be installed on the building. Colors have not yet been determined, but they will be chosen to be complementary to the surrounding area.

The Site Plan and Construction Plans have been submitted to the City of Tomball on October 4, 2016. Updated plans are included with this application (as separate documents). Updated plans with any further revisions will be re-submitted to Tomball in early November.

Our businesses have grown over time, particularly in the past few years. We are looking to increase capacity to reflect our space requirements, provide for future growth, and to reflect and enhance our brands with a high quality facility. Our business owners hold multiple patents on our products, the businesses are extensively involved in research and development of new designs and products, and we are eager to bring this technology to Tomball. We are also seeking to utilize suppliers and service providers in the Tomball area to further enhance our economic impact in the community. Even though the energy industry, upon which we are heavily dependent, is not as robust as in recent years, orders for our products have held steady. We have faith in our people and our high-end quality products that enables us to take risk in this relocation and capital expansion. We also have faith in the Tomball community to help us in our growth. We look to the Tomball Economic Development Corporation for grant funding to assist us in developing the property so that it will indeed be an asset to the community – both economically and aesthetically.

Thank you for consideration of this request.

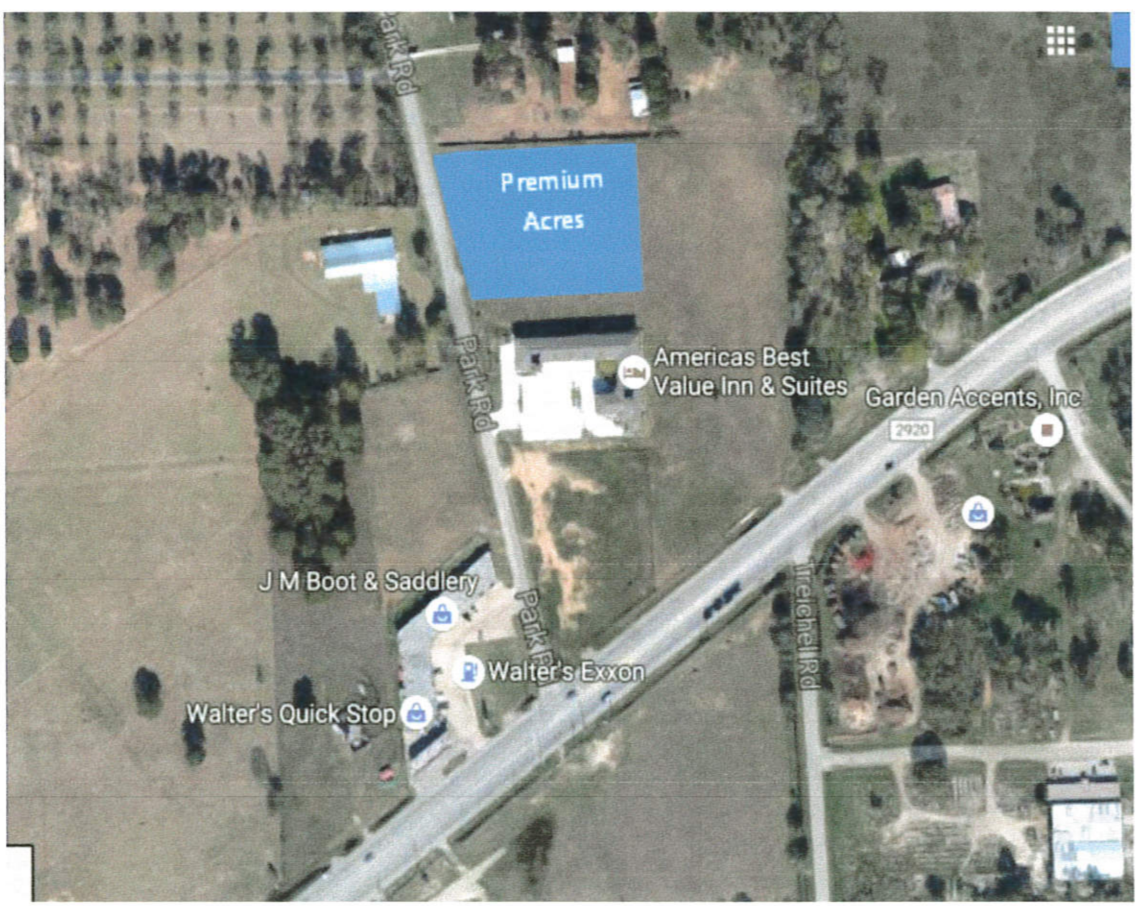
Sincerely,

J W Mohrfeld 10-27-2016 Helen Mohrfeld 10-27-2016

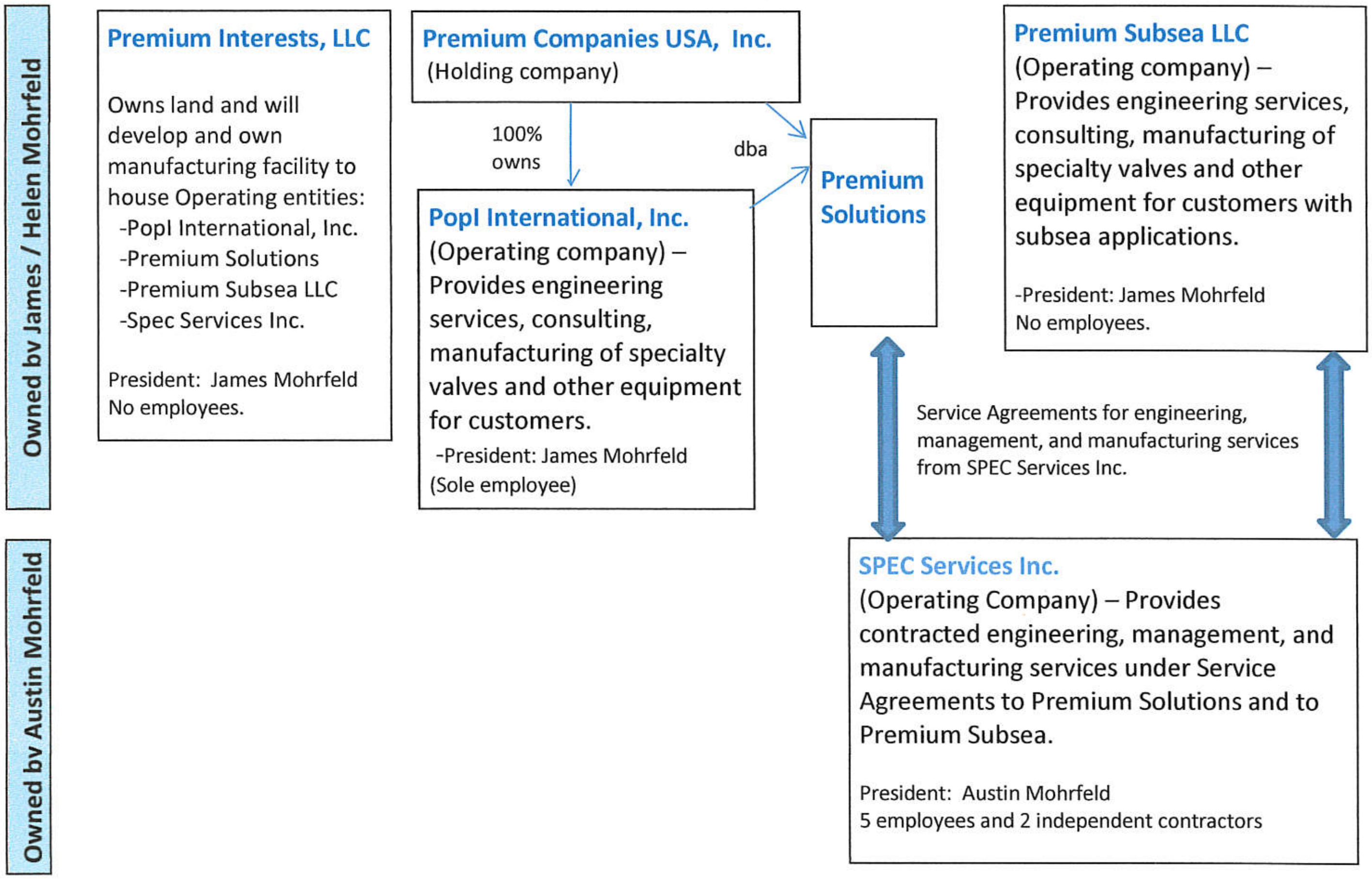
CEO: James W. Mohrfeld, PE, PhD and Vice President: Helen Mohrfeld

Office: 713-682-6494	Office: 713-682-6494
Cell: 713-256-4190	Cell: 713-256-1194
jim@premiumvalves.com	hmohrfeld@comcast.net

Vicinity Map of Subject Property



Related Mohrfeld Businesses Entity Name Documentation



All operating companies currently work out of a leased facility at 21912 Mueschke Road, Tomball, TX 77377, in unincorporated Harris County, west of Tomball city limits,

Memorandum of Understanding

This Memorandum of Understanding is made on this 24th day of October, 2016 by and between

- Premium Interests, LLC
- Premium Subsea, LLC
- Popl International, Inc (dba Premium Solutions)
- Spec Services Inc.

Purpose: The purpose of this Memorandum is to provide a framework for the future use of commercial space by Premium Subsea, LLC, Spec Services Inc, and Premium Solutions in the commercial building and other improvements that Premium Interests, LLC is constructing at 22502 Park Road, Tomball, Texas.

Understanding: It is mutually agreed upon and understood by and among the signatories of this Memorandum that:

A. The following entities intend to relocate their operations, including personnel, to the premises that Premium Interests, LLC is constructing at 22502 Park Road, Tomball, Texas
   1. Premium Subsea, LLC
   2. Premium Solutions
   3. Spec Services Inc.

B. Premium Interests, LLC intends to make commercial space available to house operations of these three entities.

C. Relocation is intended to take place as soon as practical upon completion of construction of the building and improvements.

D. This Memorandum will be effective upon signature by all parties to this Memorandum.

Liability: No liability will arise or be assumed between the parties as a result of this Memorandum.

Assignment: Neither party may assign or transfer the responsibilities or agreement made herein without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.

Signatories:

On behalf of Premium Interests, LLC, Premium Subsea, LLC, and Popl International, Inc. (dba Premium Solutions)

J W Mohrfeld

James W. Mohrfeld, President — October 24, 2016 (Date)

On behalf of Spec Services Inc.

Austin T. Mohrfeld, President — October 24, 2016 (Date)

Service Agreements with Spec Services

1. Between Premium Subsea and Spec Services

Service Agreement between Premium Subsea LLC and SPEC Services Inc.

THIS AGREEMENT, made and entered into this 1st day of January, 2016 by and between:

- Premium Subsea LLC a Texas limited liability corporation whose address is 14406 Spring Mountain Drive, Tomball, Texas 77377, hereinafter called "Company"

  and

- SPEC Services Inc., a Texas Corporation, registered at 217 Gatewood Circle West, Burleson, TX 76028 and with office at 21726 W. Yaupon Circle, Tomball, TX 77377, hereinafter called "Contractor."

The Agreement provides for performance by Contractor of work and services as stipulated and on terms and conditions herein set forth.

WHEREAS, Contractor has and shall maintain a business place of its own and hold itself out to the public as an independent contractor providing certain services principally related to design, project management, and manufacture of equipment primarily for the oil and gas industry.

WHEREAS, Company desires the performance of certain such services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements herein contained and other good and valuable consideration, the receipt and adequacy all of which are hereby acknowledged, the parties agree as follows:

1. Independent Contractor. The services herein provided shall be performed by Contractor as an independent contractor subject to the exercise of Contractor's independent professional judgment. Said services shall be authorized by Company and Contractor upon mutual agreement ("Work"). Agreement which may be verbal in format. All such services shall be subject to the terms and conditions of this Agreement.

2. Duties of Contractor. During the Term of this Agreement, Contractor agrees to perform such other services as Company may from time to time assign to Contractor which are necessary to effectuate the purposes of any Work authorized under this Agreement and subject to the terms and conditions therein.

3. Term. As used herein, "Term" shall mean the period commencing on the effective date of this Agreement, as herein previously set forth, and expiring on 31 December 2020 ("Expiration Date"). Company may terminate this Agreement, or any Work issued hereunder, at any time without cause by providing Contractor notice of intent to terminate ("Termination Date.")

4. Effect of Termination. Upon termination, or expiration, of this Agreement, Company shall not be obligated to make any further payment to Contractor hereunder after such Termination Date or Expiration Date, except that moneys due Contractor prior to the said Date less any moneys owed Company by Contractor shall be paid to Contractor. Effective such Termination Date, Contractor shall immediately return all Company provided items in its possession to Company and immediately depart from any premises controlled by Company, all without prejudice to any other rights or remedies of Company at law.

5. Confidentiality. Contractor understands that in connection with this Agreement with Company, Contractor will have access to various materials and information regarding Company's business and activities, including but not limited to information received from Company's clients, technical information, software and other sensitive business, personnel, and financial information protected by the Company and purchased by the Company under specific licensing and contractual agreements (hereinafter referred to within this Section as "Confidential Information"). Contractor understands and acknowledges that Company's business activities are carried out in various portions of the United States and in several foreign countries. Contractor recognizes that Confidential Information includes

valuable sensitive business, personnel and financial information protected by Company as trade secrets and, as such, it is required that the information will be kept in confidence. Furthermore, Contractor recognizes that any unauthorized disclosure or use of the Confidential Information by Contractor may cause irreparable harm to Company, its affiliates and other persons.

Therefore, in consideration of this Agreement with Company, Contractor agrees to respect and maintain the confidentiality of all the Confidential Information. Furthermore, Contractor expressly agrees that Contractor shall not at any time, either during or after this Agreement with Company, disclose any Confidential Information to anyone other than the authorized employees or contractors of Company, without Company's prior consent. Contractor shall fully comply with this obligation irrespective of whether such Confidential Information has been identified or marked as confidential or proprietary. These restrictions shall not apply, however, to any materials or information that have become generally available to the public through no act, or acts, of Contractor.

Contractor expressly agrees and understands that the agreements and obligations contained herein this Section of this Agreement shall survive Termination or Expiration of this Agreement with Company for any reason whatsoever and shall be binding on Contractor during the Term of this Agreement with the Company, and for a period of 1(one) year thereafter, or such longer period as may be required by a third party contract, following the effective date of Termination or Expiration of this Agreement.

Because of the unique nature of the Confidential Information, and because of the inadequacy of monetary awards for breach of Contractor's premises, representations and obligations set forth in this Confidentiality Agreement, Contractor further agrees that if Contractor fails to comply with any such promise, representation or obligation, or in the event of a breach or threatened breach of any of them, in addition to any other remedies available to Company at law or in equity, Company will be entitled to injunctive relief to enforce the provisions of this Confidentiality Agreement and will be entitled to recover its reasonable attorney's fees and expenses in conjunction with such proceedings.

The considerations included in this Section are not a hindrance to the fact that Contractor, during future engagements, may use ordinary, non-Confidential knowledge and experience which are acquired when working for Company.

6. Item Ownership. All patents, formulae, inventions, ideas of inventions, processes, copyrights, know-how, proprietary information, trademarks, software, trade name or other developments, or future improvements to patents, formulae, inventions, ideas of inventions, processes, copyrights, know-how, proprietary information, trademarks, trade names or other developments directly related to the work performed hereunder may, by mutual agreement, be claimed, further developed, and used by Company and/or Contractor. Contractor acknowledges that a remedy at law for any breach by Contractor of this provision will be inadequate and Contractor hereby agrees that Company shall be entitled, without the necessity of posting bond of cash or otherwise, to injunctive relief in case of any such breach in addition to all other relief that may be available to Company.

7. Compensation. As compensation for Contractor's services hereunder and in consideration of Contractor's covenants as set forth in this Agreement, Company shall pay Contractor a contract fee based on services performed and rates agreed to by Company and Contractor pursuant to the Work undertaken by Contractor. Such rate shall be all compensation due Contractor for Contractor's labor, benefits, other burdens, overhead, tools and technology required to perform such work hereunder, and profit. Contractor shall submit invoices to Company, as frequently as monthly indicating the applicable Work and hours applied by job and by applicable service category (e.g. engineering, management) for the respective period. Should Contractor be required to incur other expenses which are considered not to be included in Contractor's agreed rates, Contractor shall invoice such expenses, provided each expense has been approved by the Company to Company at cost on a separate invoice, attaching copies of all documentation in support of such items. Any expenses not included in Contractor's agreed rates which are not pre-approved by the Company shall be for the

account of Contractor, and therefore not reimbursed by Company to Contractor. Contractor manhour rates may be adjusted quarterly. If mutually agreeable rates cannot be established, the Agreement can be terminated in accordance with Clause 3.

8. Indemnity. As part of the consideration for the covenants herein included, Contractor, its affiliates, heirs and its successors and assigns shall protect, defend and indemnify and hold harmless Company, its parent and affiliated companies, their directors, officers, agents, clients, and employees from and against any all losses, claims, liens, demands, and causes of action of every kind and character which may be asserted against them and which arise from, and to the extent of, Contractor's negligence, or intentional misconduct in performing services hereunder. Contractor, in its disposition of the aforementioned claims and causes of action, shall bear the costs associated therewith, including, without limitation, the amount of judgments, penalties, interest, court costs, and legal fees.

9. Taxes. Contractor shall be responsible for any and all taxes that are lawfully due, including, but not limited to, federal and state income taxes, social security taxes, federal and state unemployment taxes, franchise taxes, and real and personal property taxes.

10. Insurance. Contractor shall obtain and maintain during the performance of any work authorized hereunder the following minimum insurance at Contractor's sole expense with insurance company(s) acceptable to the Company:

    -Workers' Compensation Insurance which complies with all applicable laws wherever the work is performed (including Longshoremen's and Harbor Workmen's Compensation Act, if applicable) and in the State of Texas.

11. Safety and Health. Contractor agrees to abide by and comply with any and all applicable laws, regulations, and policies provided to Contractor including, but not limited to, safety and health, drug and/or alcohol abuse, laws, regulations and other policies as are in effect, or become known, regardless as to whether such laws, regulations, or policies originate from or by a federal or state governmental body or agency, a client of Company, or by Company independently.

12. Warranty. Contractor warrants that all work will be performed in compliance with Company's requirements and generally accepted industry standards.

13. Notices. Written notices shall be delivered by hand, registered mail, cable, email or facsimile to the following addresses:

Company:	Premium Subsea, LLC 14406 Spring Mountain Drive Tomball, TX 77377 Attn: James Mohrfeld
Contractor:	SPEC Services Inc. 21726 W. Yaupon Circle Tomball, TX 77377 Attn: Austin Mohrfeld

Each notice will be effective on the date of receipt.

14. Assignment. Contractor may not assign this Agreement or any, or all, of its rights or obligations hereunder without the prior written consent of Company.

15. Waiver of Breach. The waiver by Company of breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision(s) hereof.

JM

16. Severability. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason or in any respect, such invalidity, illegality, or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, and enforceable in accordance with its terms.

17. Consequential Damages. In no event shall either party be liable to the other for consequential damages, including lost profits, loss of investment or other incidental damages as a result of any work performed under this Agreement.

18. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes related to this agreement shall be Harris County, Texas.

19. Entire Agreement. This Agreement supersedes all previous agreements, whether written or oral, with Contractor, and constitutes the entire Agreement of whatsoever kind and nature existing between or among the parties respecting the within subject matter and no party shall be entitled to other benefits than those specified herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals, all as of the day and year above written.

COMPANY
Name: Premium Subsea LLC
Address: 14406 Spring Mountain Drive
Tomball, TX 77377
James W. Mohrfeld, President

By: ______________________

Date: January 1, 2016

CONTRACTOR
Name: SPEC Services Inc.
Address: 21726 W. Yaupon Circle
Tomball, Texas 77377
Austin T. Mohrfeld, President

By: ______________________

Date: January 1, 2016

ATm

Service Agreement with Spec Services

2. Between Premium Solutions and Spec Services

Service Agreement between Premium Solutions and SPEC Services Inc.

THIS AGREEMENT, made and entered into this 20th day of May 2009 by and between:

-Premium Solutions the "dba" of Premium Companies USA, Inc., a Texas corporation whose address is 5522 Sheraton Oaks Drive, Houston, Texas 77091, hereinafter called "Company"

and

-SPEC Services Inc., a Texas Corporation, registered at 217 Gatewood Circle West, Burleson, TX 76028, and with office at 7110 Dorsetshire Drive, Houston, Texas 77040 hereinafter called "Contractor."

The Agreement provides for performance by Contractor of work and services as stipulated and on terms and conditions herein set forth.

WHEREAS, Contractor has and shall maintain a business place of its own and hold itself out to the public as an independent contractor providing certain services principally related to design, project management, and manufacture of equipment primarily for the oil and gas industry.

WHEREAS, Company desires the performance of certain such services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements herein contained and other good and valuable consideration, the receipt and adequacy all of which are hereby acknowledged, the parties agree as follows:

1. Independent Contractor. The services herein provided shall be performed by Contractor as an independent contractor subject to the exercise of Contractor's independent professional judgment. Said services shall be authorized by Company and Contractor upon mutual agreement ("Work"). Agreement which may be verbal in format. All such services shall be subject to the terms and conditions of this Agreement.

2. Duties of Contractor. During the Term of this Agreement, Contractor agrees to perform such other services as Company may from time to time assign to Contractor which are necessary to effectuate the purposes of any Work authorized under this Agreement and subject to the terms and conditions therein.

3. Term. As used herein, "Term" shall mean the period commencing on the effective date of this Agreement, as herein previously set forth, and expiring on 31 December 2019 ("Expiration Date"). Company may terminate this Agreement, or any Work issued hereunder, at any time without cause by providing Contractor notice of intent to terminate ("Termination Date.")

4. Effect of Termination. Upon termination, or expiration, of this Agreement, Company shall not be obligated to make any further payment to Contractor hereunder after such Termination Date or Expiration Date, except that moneys due Contractor prior to the said Date less any moneys owed Company by Contractor shall be paid to Contractor. Effective such Termination Date, Contractor shall immediately return all Company provided items in its possession to Company and immediately depart from any premises controlled by Company, all without prejudice to any other rights or remedies of Company at law.

5. Confidentiality. Contractor understands that in connection with this Agreement with Company, Contractor will have access to various materials and information regarding Company's business and activities, including but not limited to information received from Company's clients, technical information, software and other sensitive business, personnel, and financial information protected by the Company and purchased by the Company under specific licensing and contractual agreements (hereinafter referred to within this Section as "Confidential Information"). Contractor understands and acknowledges that Company's business activities are carried out in various portions of the United States and in several foreign countries. Contractor recognizes that Confidential Information includes

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valuable sensitive business, personnel and financial information protected by Company as trade secrets and, as such, it is required that the information will be kept in confidence. Furthermore, Contractor recognizes that any unauthorized disclosure or use of the Confidential Information by Contractor may cause irreparable harm to Company, its affiliates and other persons.

Therefore, in consideration of this Agreement with Company, Contractor agrees to respect and maintain the confidentiality of all the Confidential Information. Furthermore, Contractor expressly agrees that Contractor shall not at any time, either during or after this Agreement with Company, disclose any Confidential Information to anyone other than the authorized employees or contractors of Company, without Company's prior consent. Contractor shall fully comply with this obligation irrespective of whether such Confidential Information has been identified or marked as confidential or proprietary. These restrictions shall not apply, however, to any materials or information that have become generally available to the public.

Contractor expressly agrees and understands that the agreements and obligations contained herein this Section of this Agreement shall survive Termination or Expiration of this Agreement with Company for any reason whatsoever and shall be binding on Contractor during the Term of this Agreement with the Company, and for a period of 1 (one) year thereafter, or such longer period as may be required by a third party contract, following the effective date of Termination or Expiration of this Agreement.

Because of the unique nature of the Confidential Information, and because of the inadequacy of monetary awards for breach of Contractor's premises, representations and obligations set forth in this Confidentiality Agreement, Contractor further agrees that if Contractor fails to comply with any such promise, representation or obligation, or in the event of a breach or threatened breach of any of them, in addition to any other remedies available to Company at law or in equity, Company will be entitled to injunctive relief to enforce the provisions of this Confidentiality Agreement and will be entitled to recover its reasonable attorney's fees and expenses in conjunction with such proceedings.

The considerations included in this Section are not a hindrance to the fact that Contractor, during future engagements, may use ordinary, non-Confidential knowledge and experience which are acquired when working for Company.

6. Item Ownership. All patents, formulae, inventions, ideas of inventions, processes, copyrights, know-how, proprietary information, trademarks, software, trade name or other developments, or future improvements to patents, formulae, inventions, ideas of inventions, processes, copyrights, know-how, proprietary information, trademarks, trade names or other developments directly related to the work performed hereunder may, by mutual agreement, be claimed, further developed, and used by Company and/or by Contractor. Contractor acknowledges that a remedy at law for any breach by Contractor of this provision will be inadequate and Contractor hereby agrees that Company shall be entitled, without the necessity of posting bond of cash or otherwise, to injunctive relief in case of any such breach in addition to all other relief that may be available to Company.

7. Compensation. As compensation for Contractor's services hereunder and in consideration of Contractor's covenants as set forth in this Agreement, Company shall pay Contractor a contract fee based on services performed and rates agreed to by Company and Contractor pursuant to the Work undertaken by Contractor. Such rate shall be all compensation due Contractor for Contractor's labor, benefits, other burdens, overhead, tools and technology required to perform such work hereunder, and profit. Contractor shall submit invoices to Company, as frequently as monthly indicating the applicable Work and hours applied by job and by applicable service category (e.g. engineering, management) for the respective period. Should Contractor be required to incur other expenses which are considered not to be included in Contractor's agreed rates, Contractor shall invoice such expenses, provided each expense has been approved by the Company to Company at cost on a separate invoice, attaching copies of all documentation in support of such items. Any expenses not included in Contractor's agreed rates which are not pre-approved by the Company shall be for the

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account of Contractor, and therefore not reimbursed by Company to Contractor. Contractor man-hour rates may be adjusted quarterly. If mutually agreeable rates cannot be established, the Agreement can be terminated in accordance with Clause 3.

8. Indemnity. As part of the consideration for the covenants herein included, Contractor, its affiliates, heirs and its successors and assigns shall protect, defend and indemnify and hold harmless Company, its parent and affiliated companies, their directors, officers, agents, clients, and employees from and against any all losses, claims, liens, demands, and causes of action of every kind and character which may be asserted against them and which arise from, and to the extent of, Contractor's negligence, or intentional misconduct in performing services hereunder. Contractor, in its disposition of the aforementioned claims and causes of action, shall bear the costs associated therewith, including, without limitation, the amount of judgments, penalties, interest, court costs, and legal fees.

9. Taxes. Contractor shall be responsible for any and all taxes that are lawfully due, including, but not limited to, federal and state income taxes, social security taxes, federal and state unemployment taxes, franchise taxes, and real and personal property taxes.

10. Insurance. Contractor shall obtain and maintain during the performance of any work authorized hereunder the following minimum insurance at Contractor's sole expense with insurance company(s) acceptable to the Company:

-Workers' Compensation Insurance which complies with all applicable laws wherever the work is performed (including Longshoremen's and Harbor Workmen's Compensation Act, if applicable) and in the State of Texas.

11. Safety and Health. Contractor agrees to abide by and comply with any and all applicable laws, regulations, and policies provided to Contractor including, but not limited to, safety and health, drug and/or alcohol abuse, laws, regulations and other policies as are in effect, or become known, regardless as to whether such laws, regulations, or policies originate from or by a federal or state governmental body or agency, a client of Company, or by Company independently.

12. Warranty. Contractor warrants that all work will be performed in compliance with Company's requirements and generally accepted industry standards.

13. Notices. Written notices shall be delivered by hand, registered mail, cable, email or facsimile to the following addresses:

Company: Premium Solutions
5522 Sheraton Oaks Drive
Houston, TX 77091
Attn: James Mohrfeld

Contractor: SPEC Services Inc.
7110 Dorsetshire Drive
Houston, Texas 77040
Attn: Austin Mohrfeld

Each notice will be effective on the date of receipt.

14. Assignment. Contractor may not assign this Agreement or any, or all, of its rights or obligations hereunder without the prior written consent of Company.

15. Waiver of Breach. The waiver by Company of breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision(s) hereof.

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16. Severability. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason or in any respect, such invalidity, illegality, or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, and enforceable in accordance with its terms.

17. Consequential Damages. In no event shall either party be liable to the other for consequential damages, including lost profits, loss of investment or other incidental damages as a result of any work performed under this Agreement.

18. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes related to this agreement shall be Harris County, Texas.

19. Entire Agreement. This Agreement supersedes all previous agreements, whether written or oral, with Contractor, and constitutes the entire Agreement of whatsoever kind and nature existing between or among the parties respecting the within subject matter and no party shall be entitled to other benefits than those specified herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals, all as of the day and year above written.

COMPANY	CONTRACTOR
Name: Premium Solutions	Name: SPEC Services Inc.
Address: 5522 Sheraton Oaks Drive Houston, TX 77091	Address: 7110 Dorsetshire Drive Houston, Texas 77040
James W. Mohrfeld, President	Austin T. Mohrfeld, President
By: JW Mohrfeld	By: Austin T. Mohrfeld
Date: May 20, 2009	Date: May 20, 2009

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Overview of Premium brand products

ISO 9001 Certified

Premium Solutions and Premium Subsea

Premium Solutions performs product design, engineering, manufacturing, testing and service per the requirements of its ISO 9001 quality system.

Designed and Manufactured in Tomball, Texas, USA

713-256-4190

www.premiumvalves.com
www.premiumsubsea.com

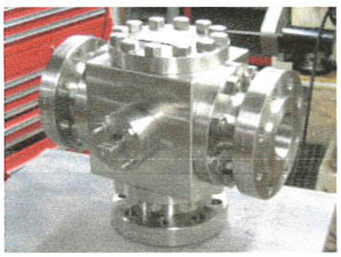
Products, services and general sales information
sales@premiumvalves.com

CUSTOM DESIGNS, CUSTOM PRODUCTS AND SERVICES

Premium will tailor designs to meet project needs, even for critical applications

- **We specialize in working with our customers in developing and building custom products for the oil and gas, mooring, and materials handling industries.**
- **We focus on safety, reliability, codes and specifications, budget and lead time.**

Specialty Valves

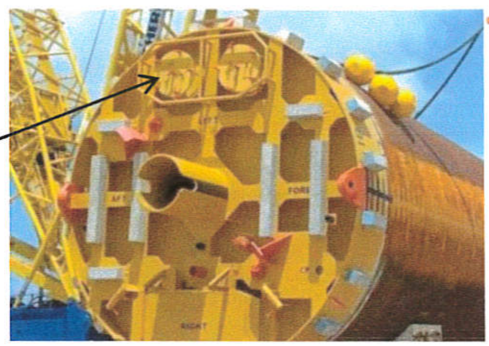


Diverter Valves: Recently, Premium designed and built specialty 3-way, actuated diverter valves for a major's coal gasification plants in Asia.

Filler (Lance) Valves for filling industrial containers (5 - 55 gallons): Custom filler design with large volume throughput.

Custom Ball Valves: This 3-Way ball valve is all 316 stainless steel. Custom designed for food manufacturer.

Subsea Vent Valves: Premium pioneered the Subsea Vent Valve used in foundation suction piles for major E&P companies. Its simple design is easily operated and can be tested on the dock. No specialty ROV tooling required. Sizes to 42"

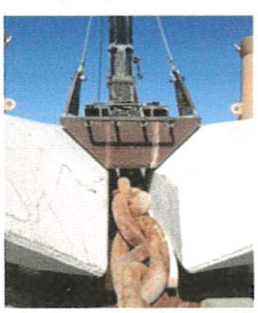


Mooring and Handling

Subsea (STS) Conductor Handling tool

Sepla Pneumatic Reloader Apparatus

Conductor Handling Tool: for 36" and 48" pipe. Barge mounted. Utilized by Petrobras and Shell in Brazil.



Chain Tensioning Mechanism: for BP pipeline anchoring

Conductor Stabilizing Tool

Want to improve safety and reliability? Want to lower you equipment cost? Premium's engineering staff will develop products to meet your unique requirements.

Call Premium Today

Photos of Current Leased Facility Outside City of Tomball – Illustrating Premium is Out of Space

(Work in Process and Finished Goods stored outside)

EXECUTIVE SUMMARY

A REPORT OF THE ECONOMIC IMPACT OF PREMIUM INTERESTS, LLC IN TOMBALL, TX

November 8, 2016

Prepared by:

Tomball Economic Development Corporation

29201 Quinn Rd., Suite B

Tomball, Texas 77375

Prepared using Total Impact

PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model is a customized software program licensed to the Tomball Economic Development Corporation. The model includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in Tomball Economic Development Corporation's Total Impact User Guide.

The analysis relies on prospective estimates of business activity that may not be realized. Tomball Economic Development Corporation made reasonable efforts to ensure that the project-specific data entered into the Total Impact model reflects realistic estimates of future activity.

No warranty or representation is made by Tomball Economic Development Corporation or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

CONTENTS

Introduction

This report presents the results of an economic impact analysis performed using Total Impact, a model developed by Impact DataSource. The report estimates the impact that a potential project in the City of Tomball will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Description of the Project

Premium Interests, LLC was formed in late 2015 specifically to purchase land and develop that property so that related-company "Premium" brand engineering and manufacturing businesses already in operation could relocate from unincorporated Harris County into the City of Tomball and have room for expansion. In April, 2016 Premium Interests purchased 1.997 acres of land in Tomball (platted as "Premium Acres" / located at 22502 Park Road). Premium Interests desires to construct a new 11,920 sq. ft. engineering design and manufacturing facility on property. Relocation to the City of Tomball will entail moving the management, engineering, logistics, manufacturing, and administrative staff of related companies Premium Solutions, Premium Subsea, Premium Interests, and Spec Services from a leased facility on Mueschke Road to the new Tomball facility.

Economic Impact Overview

The Project's operations will support employment and other economic impacts in the community. The 10.0 workers directly employed by the Project will earn approximately $143,000 per year on average over the next 10 years. This direct activity will support 8.5 indirect and induced workers in the community earning $95,000 on average over the next 10 years. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately $21.7 million over the next 10 years.

On average, the Project will generate $3.7 million in direct economic output over the next 10 years. Spin-off businesses in the community will produce $1.4 million in economic output per year as a result of the Project. In total, the Project will support $5.1 million in economic output per year on average. Economic output is the value of goods and services produced in the economy and can be thought of as revenues for businesses. The economic output calculations in this report were estimated using the RIMS II economic impact model and the Project's employment estimates.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the community, the Project is estimated to support approximately $1.3 million in taxable sales over the next 10 years.

Table 1. Economic Impact Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of permanent direct, indirect, and induced jobs to be created	10.0	8.5	18.5
Salaries to be paid to direct, indirect, and induced workers	$13,882,797	$7,842,394	$21,725,191
Economic output generated by direct, indirect, and induced activity	$37,135,001	$13,955,333	$51,090,335
Taxable sales and purchases expected in the City	$1,133,434	$141,163	$1,274,597

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

Table 2. Population Impacts Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of direct, indirect, and induced workers who will move to the City	0.5	0.5	1.0
Number of new residents in the City	1.3	1.3	2.6
Number of new residential properties to be built in the City	0.1	0.1	0.2
Number of new students expected to attend local school district	0.3	0.2	0.5

The Project is estimated to support an average of approximately $2.1 million in new non-residential taxable property each year over the next 10 years. The taxable value of property supported by the Project over the 10-year period is shown in the following table.

Table 3. Value of Taxable Property Supported by the Project Over the Next 10 Years

		The Project's Property					Total
Year	New Residential Property	Land	Buildings & Other Real Prop. Improvements	Furniture, Fixtures, & Equipment	Inventories	Subtotal Nonresidential Property	Residential & Nonresidential Property
1	$16,867	$253,637	$1,584,500	$50,000	$25,000	$1,913,137	$1,930,004
2	$34,409	$258,710	$1,616,190	$55,000	$26,250	$1,956,150	$1,990,559
3	$35,097	$263,884	$1,648,514	$59,000	$27,563	$1,998,960	$2,034,058
4	$35,799	$269,162	$1,681,484	$62,000	$28,941	$2,041,586	$2,077,386
5	$36,515	$274,545	$1,715,114	$64,000	$30,388	$2,084,046	$2,120,562
6	$37,246	$280,036	$1,749,416	$55,000	$31,907	$2,116,359	$2,153,605
7	$37,991	$285,636	$1,784,404	$46,000	$33,502	$2,149,543	$2,187,534
8	$38,750	$291,349	$1,820,092	$37,000	$35,178	$2,183,619	$2,222,370
9	$39,525	$297,176	$1,856,494	$28,000	$36,936	$2,218,607	$2,258,132
10	$40,316	$303,120	$1,893,624	$24,000	$38,783	$2,259,527	$2,299,843

The taxable value of residential property represents the value of properties that may be constructed as a result of new workers moving to the community.

This analysis assumes the residential real property appreciation rate to be 2.0% per year. The Project's real property is assumed to appreciate at a rate of 2.0% per year. The analysis assumes the Project's furniture, fixtures, and equipment will depreciate over time according to the depreciation schedule shown in Appendix A.

Temporary Construction Impact

The Project will include an initial period of construction where $1.6 million will be spent to construct new buildings and other real property improvements. It is assumed that 50.0% of the construction expenditure will be spent on materials and 50.0% on labor. The temporary construction activity will support temporary economic impacts in the community in the form of temporary construction employment and sales for local construction firms.

Table 4. Spending and Estimated Direct Employment Impact of Project-Related Construction Activity

			Amount
Total construction expenditure			$1,584,500
	Materials	*$792,250*	
	Labor	*$792,250*	
Temporary Construction Workers Supported (Average Earnings = $51,300)			15.4

The following table presents the temporary economic impacts resulting from the construction.

Table 5. Temporary Economic Impact of Project-Related Construction Activity

	Direct	Indirect & Induced	Total
Number of temporary direct, indirect, and induced job years to be supported*	15.4	11.5	26.9
Salaries to be paid to direct, indirect, and induced workers	$792,250	$413,871	$1,206,121
Revenues or sales for businesses related to construction	$1,584,500	$1,406,402	$2,990,902

** A job year is defined as full employment for one person for 2080 hours in a 12-month span.*

Sales tax calculations related to construction activity are presented in the following table. The sales tax revenue generated from construction-period taxable spending is included in the fiscal impact for affected districts in Year 1 of this analysis.

Table 6. Construction-Related Taxable Spending

		Estimate
Expenditure for Materials		$792,250
Percent of Materials subject to local tax		50.0%
	Subtotal Taxable Materials	$396,125
Expenditure for Labor / Paid to construction workers		$792,250
Percent of gross earnings spent on taxable goods and services		25.0%
Percent of taxable spending done locally		10.0%
	Subtotal Taxable Construction Worker Spending	$19,806
Expenditure for Furniture, Fixtures, & Equipment (FF&E)		$50,000
Percent of FF&E subject to local tax		10.0%
	Subtotal Taxable FF&E Purchases	$5,000
Total Construction-Related Taxable Spending		$420,931

The above construction analysis focuses on the impact resulting from the Project's construction investments identified in Year 1. If construction will be phased in over several years or an expansion is planned in a later year, parallel calculations will be performed for those years.

Fiscal Impact Overview

The Project will generate additional benefits and costs for the City. Overall, the City will receive approximately $120,800 in net benefits over the 10-year period. The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

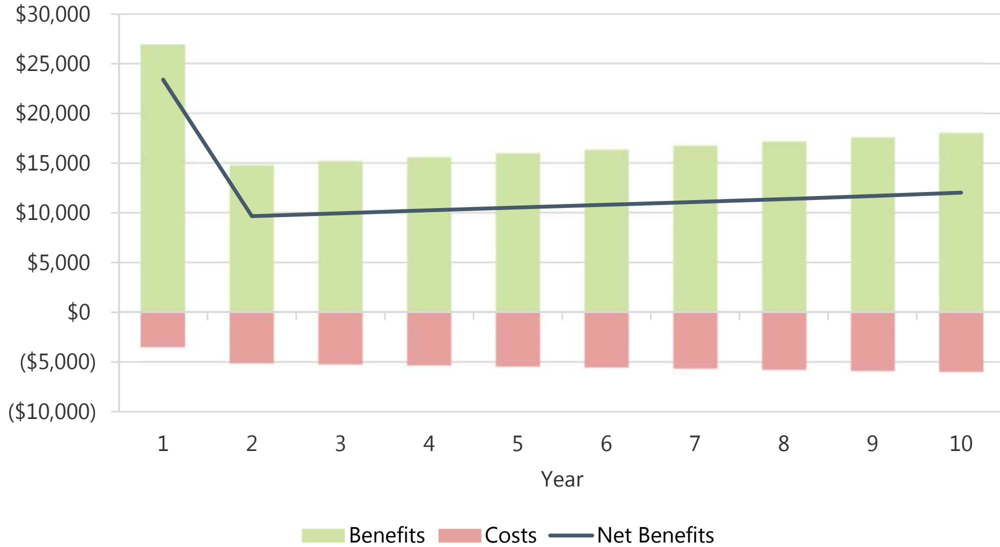
Table 7. City of Tomball: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Sales Taxes	$25,492
Property Taxes - Project	$71,438
Property Taxes - New Residential	$1,204
Utility Revenue	$34,246
Utility Franchise Fees	$6,740
Building Permits and Fees	$5,744
Hotel Occupancy Taxes	$20,969
Miscellaneous Taxes & User Fees	$8,693
Subtotal Benefits	$174,525
Cost of Providing Municipal Services	($17,724)
Cost of Providing Utility Services	($35,958)
Subtotal Costs	($53,682)
Net Benefits	$120,843
Present Value (5% discount rate)	*$94,939*

Table 8. Year-by-Year Benefits, Costs, and Net Benefits for the City of Tomball

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	$26,925	($3,528)	$23,396	$23,396
2	$14,813	($5,141)	$9,672	$33,068
3	$15,203	($5,244)	$9,959	$43,027
4	$15,602	($5,349)	$10,253	$53,280
5	$16,009	($5,456)	$10,553	$63,833
6	$16,372	($5,565)	$10,806	$74,639
7	$16,767	($5,677)	$11,091	$85,730
8	$17,177	($5,790)	$11,387	$97,116
9	$17,601	($5,906)	$11,695	$108,811
10	$18,056	($6,024)	$12,032	$120,843
Total	$174,525	($53,682)	$120,843	

Figure 1. Annual Fiscal Net Benefits for the City of Tomball



Impact from Project and Workers

The City will receive benefits from the activity, spending, and investments associated with (1) the Project and (2) the workers. These benefits, associated costs, and resulting net benefits for the next 10 years are shown below for these two categories.

Table 9: Net Benefits to the City from the Project and Workers

	The Project	Workers	Total
Sales Taxes	$17,671	$7,821	$25,492
Real Property Taxes	$68,725	$0	$68,725
FF&E Property Taxes	$1,639	$0	$1,639
Inventory Property Taxes	$1,074	$0	$1,074
New Residential Property Taxes	$0	$1,204	$1,204
Utility Revenue	$18,632	$15,614	$34,246
Utility Franchise Fees	$5,716	$1,023	$6,740
Building Permits and Fees	$5,744	$0	$5,744
Hotel Occupancy Taxes	$20,969	$0	$20,969
Miscellaneous Taxes & User Fees	$4,853	$3,840	$8,693
Subtotal Benefits	$145,023	$29,502	$174,525
Cost of Providing Municipal Services	($9,917)	($7,807)	($17,724)
Cost of Providing Utility Services	($19,564)	($16,394)	($35,958)
Subtotal Costs	($29,481)	($24,201)	($53,682)
Net Benefits	$115,542	$5,301	$120,843
Percent of Total Net Benefits	*95.6%*	*4.4%*	

Non-Tax Incentives

The Tomball EDC is considering the following non-tax incentives for the Project.

Table 14. Incentives Under Consideration

Year	Enter Incentive Description
1	$19,150
2	$0
3	$0
4	$0
5	$0
6	$0
7	$0
8	$0
9	$0
10	$0
Total	$19,150

These financial incentives may be considered an investment in the Project made by the EDC. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the city, treating the incentives as the initial investment and the net benefits to the city as the return on investment. The payback period is the number of years that it will take the city to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

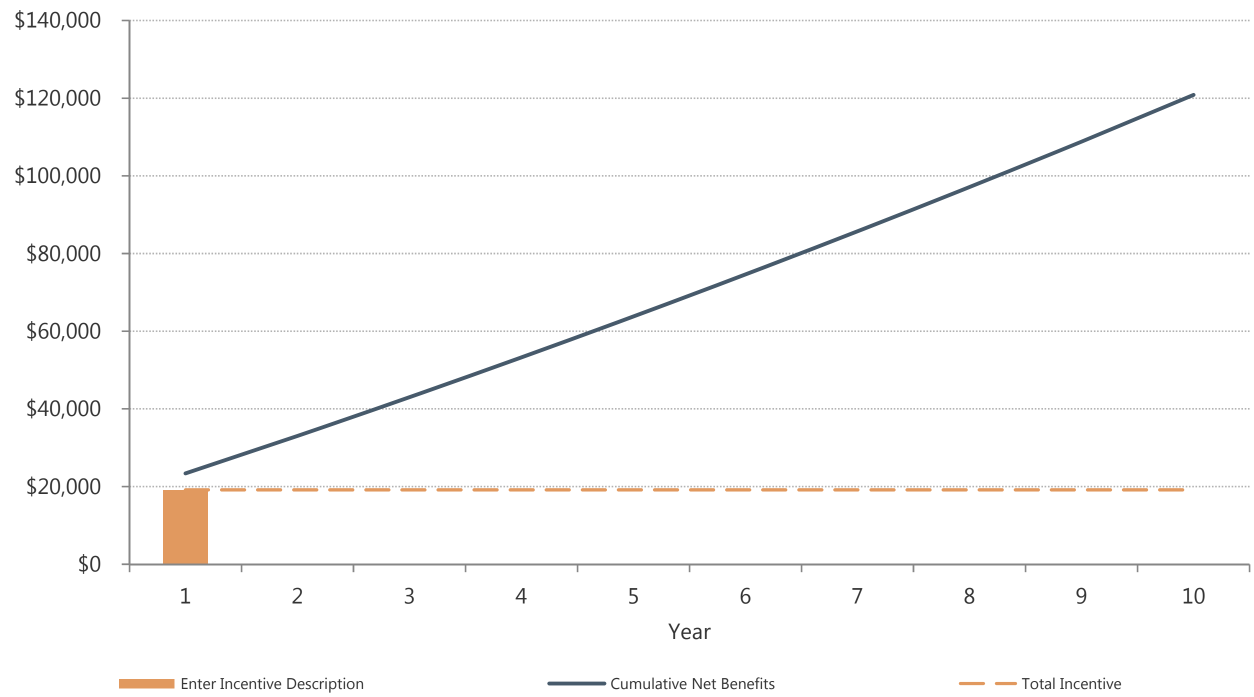
Table 15. Analysis of Incentives

Total Non-Tax Incentive	$19,150
Incentive Per Job	$1,915
Rate of Return - 5 Years	66.7%
Rate of Return - 10 Years	63.1%
Payback period (years)	0.8

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the City. The intersection indicates the length of time until the incentives are paid back.

Figure 2. Incentives Under Consideration



Overview of Methodology

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

33291A Valve and fitting (except plumbing) manufacturing		City	County
Employment Multiplier	(Type II Direct Effect)	1.8554	2.7006
Earnings Multiplier	(Type II Direct Effect)	1.5649	2.1230

The fiscal impacts calculated in this report are detailed in Appendix C. Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach. This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by the city and county to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs. This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced.

However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in Texas and more than 30 other states.

AGREEMENT

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS	§	

This Agreement (the "Agreement") is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the "TEDC"), and **Premium Interests, LLC** (the "Company"), 14406 Spring Mountain Drive, Tomball, Texas 77377.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the "City"), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to develop a 1.9970-acre tract of land within the City, located at 22502 Park Road, Tomball, TX 77377 (the "Property"), and more particularly described in Exhibit "A," attached hereto and made a part hereof; and

WHEREAS, the Company plans to expend funds to construct an 11,920-square foot engineering design and manufacturing facility and make other capital improvements (the "Improvements"), generally described in Exhibit "B," attached hereto and made a part hereof, as are necessary; and

WHEREAS, the facility will house related companies, PopI International, Inc. (dba Premium Solutions), Premium Subsea, LLC, and Spec Services Inc. as described in Exhibit "C," attached hereto and made a part hereof; and

WHEREAS, the project will relocate six (6) full-time employees to the Property and create four (4) new employment positions in Tomball in conjunction with the relocation and development of its business operations at the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of Nineteen Thousand One Hundred and Fifty Dollars ($19,150.00) to assist in the construction of the Improvements, the relocation of the six (6) employees, and the creation of the four (4) new employment positions at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

WHEREAS, this expenditure is found by the Board of Directors of the TEDC to be suitable for the relocation of the corporate headquarters to promote and develop new business enterprises on the Property;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

Except as provided by paragraph 4, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least five (5) years and will maintain ten (10) employees on the Property.

2.

The construction of the Improvements, the relocation of the six (6) employees, the hiring of the four (4) new employees, and the obtaining of all necessary occupancy permits from the City must occur within twenty-four (24) months from the Effective Date of this Agreement.

Extensions of these deadlines may be granted by the Board of Directors of the TEDC due to any extenuating circumstance or uncontrollable delay.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company Nineteen Thousand One Hundred and Fifty Dollars ($19,150.00) to fund a portion of the cost of the Improvements, the relocation of the six (6) employees, and the addition of the four (4) new employees to the Tomball operation. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Improvements to the Property; (b) proof that the company has added the number of employees indicated above to the Tomball operation as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service form 941; (c) a copy of a letter from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) certification that the Improvements have been constructed in accordance with the approved plans and specifications; (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released; and (f) Proof of payment to all contractors and subcontractors providing work and/or materials in the construction of the Improvements, proof of payment must include copies of canceled checks and/or credit card receipts and copies of paid invoices from all contractors and subcontractors.

In the event the number of jobs originally projected is not met or maintained, the amount of the funding provided to the Company by TEDC will be reduced on a pro-rata basis to reflect the actual number of jobs at the time of the request for disbursement of funds.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90 day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90 day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default accompanied by copies of all applicable invoices.

It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

6.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: Premium Interests, LLC
14406 Spring Mountain Drive
Tomball, Texas 77377
Attn: James W. Mohrfeld, CEO

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this ______ day of _________________ 2016 (the "Effective Date").

PREMIUM INTERESTS, LLC

By: ______________________________________

Name: James W. Mohrfeld

Title: CEO

ATTEST:

By: ________________________________

Name: ________________________________

Title: ________________________________

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: ______________________________________

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: ________________________________

Name: William E. Sumner Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _________________ 2016, by James W. Mohrfeld, the CEO of Premium Interests, LLC, for and on behalf of said company.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _________________ 2016, by Gretchen Fagan, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

Exhibit A

Legal Description of Property

PREMIUM ACRES

Being a 1.9970 (86,989.32 Square Feet) acre tract of land situated in the Chuancey Goodrich Survey, Abstract Number 311, and the Joseph House Survey, Abstract Number 34, of Harris County, Texas, and being a Replat of a portion of Lot 2, in Block 1, of NIKHILL SUBDIVISION, a subdivision of 8.4762 acres in Harris County, Texas, according to the map or plat thereof recorded in Film Code Number 626095 of the Map Records of Harris County, Texas

1 Lot, 1 Block

Owner:
Premium Interests, LLC
14406 Spring Mountain Drive
Tomball, TX 77377
713-682-6494

Surveyor:
C & C Surveying Inc.
7424 FM 1488, Suite A Magnolia, Texas 77354
Office: 281-356-5172 Fax: 281-356-1935
onesurveyatatime@sbcglobla.net
www.ccsurveying.com

June 2016
Sheet 1 of 1
16-0058

Premium Acres-Final Plat
July 2016

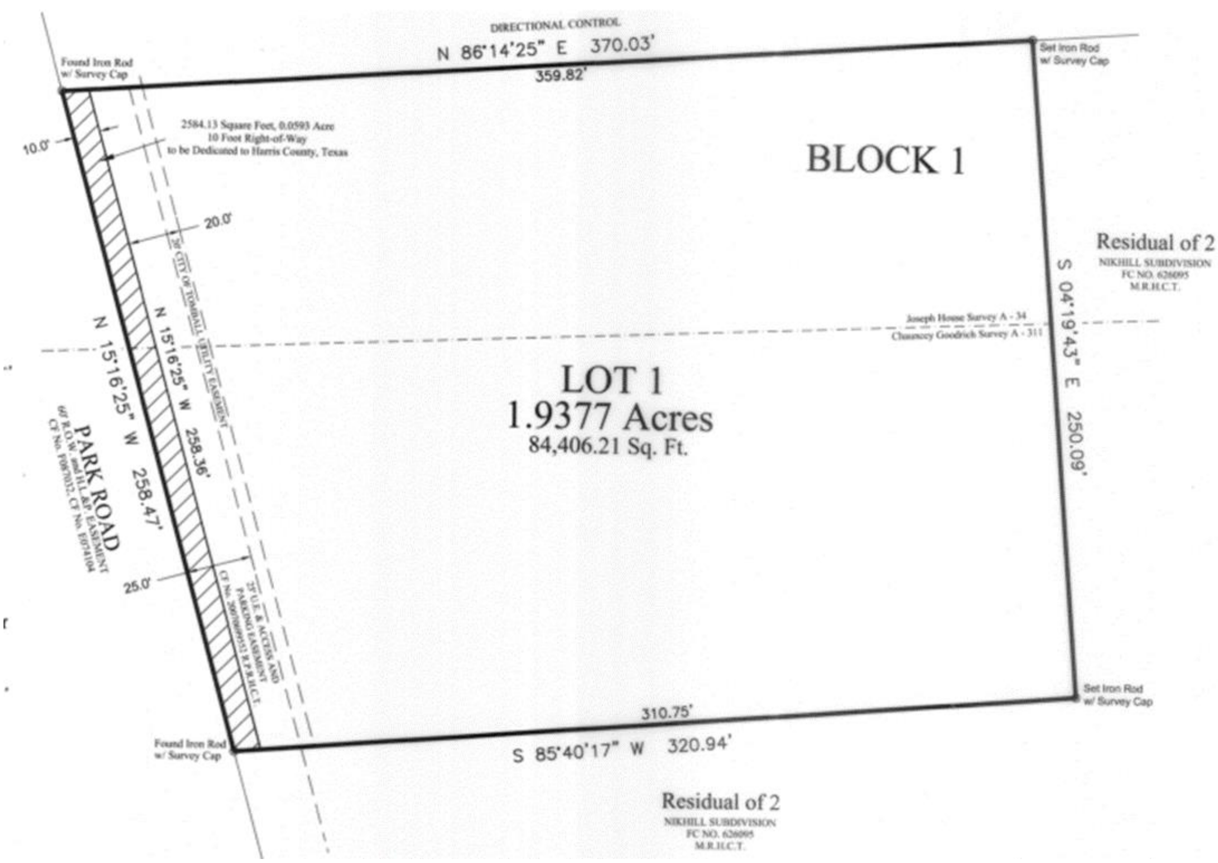


Exhibit B

Description of Improvements

Construction of an approximately 11,920-square foot engineering design and manufacturing facility with approximately one-quarter of that being office space, and the remainder being warehouse, fabrication, assembly, testing, and shipping space, along with related parking and drive aisles and detention facility to be located at 22502 Park Road, Tomball, TX 77377.

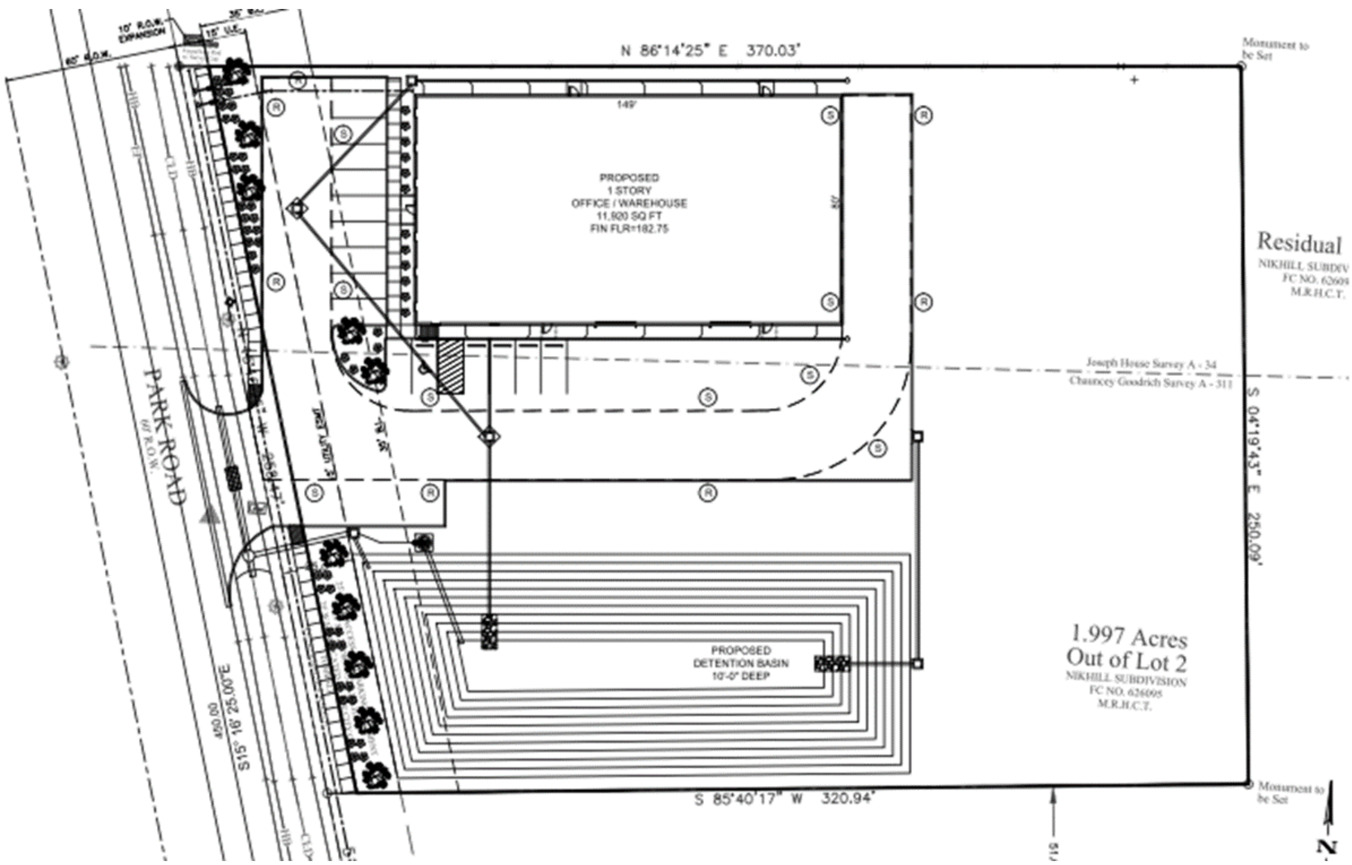
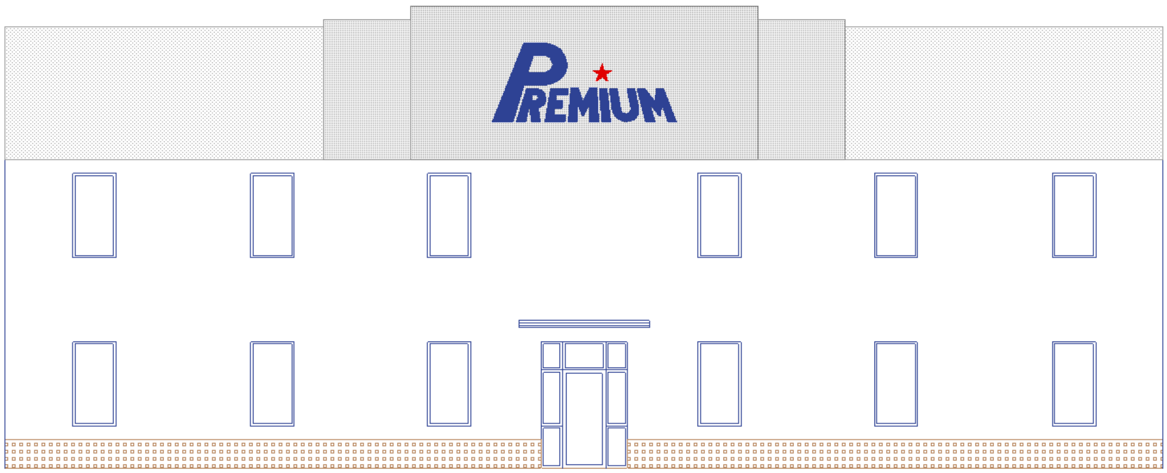
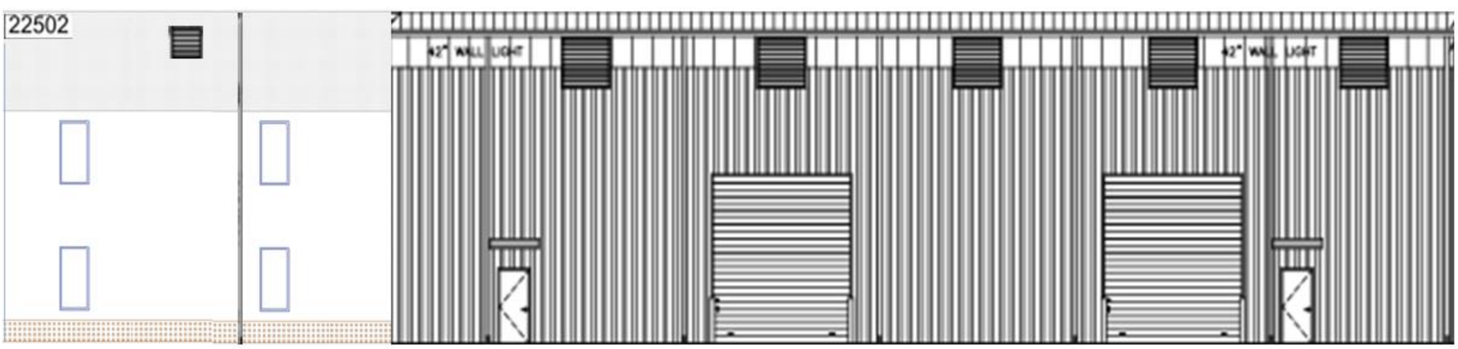


Exhibit B Continued

Description of Improvements



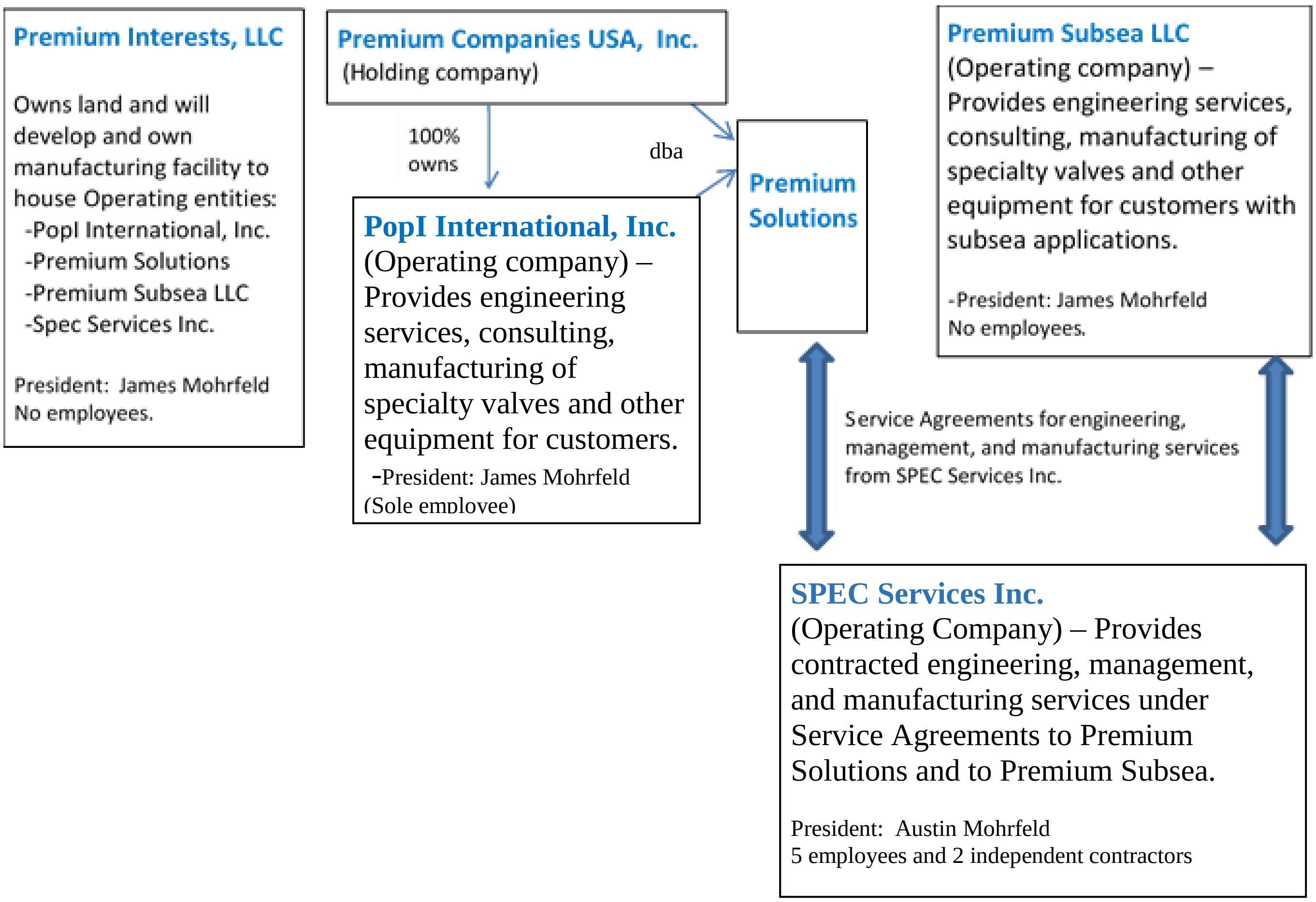
Front façade of building (facing west to Park Road).



South elevation facing parking lot.

Exhibit C

Related Business Entities



All operating companies currently work out of a leased facility at 21912 Mueschke Road, Tomball, TX 77377, in unincorporated Harris County, west of Tomball city limits.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

Approve, on First Reading, Resolution No. 2016-26-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Brandt Construction LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs for the promotion of new or expanded business enterprise related to the construction of a new commercial facility to be located on a 2.3291-acre tract of land at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375. The estimated amount of expenditures for such Project $65,694.00.

Background:

All expenditures of the Tomball Economic Development Corporation (TEDC) sales tax revenue must first be approved as a "Project" of the Corporation. At its regular meeting on November 15, 2016, the TEDC Board of Directors did take formal action to approve, as a Project of the TEDC, an agreement with Brandt Construction LLC for the promotion of new or expanded business development related to the construction of a new commercial facility (4,027-square foot office building and a 3,042-square foot warehouse facility on a 2.3291-acre tract of land) to be located at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375. The Tomball City Council has final approval authority over all projects and agreements of the TEDC.

Origination:

Chad Brandt, President, Brandt Construction

Recommendation:

Approval of Resolution No. 2016-26-TEDC on first reading

Funding:

Yes

Account Number:Project Grants

Party(ies) responsible for placing this item on agenda:

Kelly Violette, Executive Director, Tomball Economic Development Corporation

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

TEDC Memo
Request Letter
Resolution No. 2016-26-TEDC
TEDC Performance Agreement

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: November 21, 2016

SUBJECT: Brandt Construction LLC Performance Agreement

The Tomball Economic Development Corporation has received a request from Chad Brandt, President of Brandt Construction LLC, for assistance with infrastructure costs related to the development of a proposed 4,027-square foot office building and a 3,042-square foot warehouse facility on a 2.3291-acre tract of land located at 22110 Hufsmith-Kohrville Road, in Tomball.

Brandt Construction is currently located at 9337 Spring Cypress Road, Suite G3, in Spring, Texas and desires to relocate its operations to Tomball. The company currently has 14 employees and plans to hire 3 additional employees within the first two years of operation. Brandt Construction was founded in 2001 and specializes in site development, concrete paving, earthwork, detention development, storm drainage, site utilities, foundations, etc.

The new office building will be the company's headquarters for estimating, meetings, and daily clerical operations. The shop will serve as a mechanics shop and minimal equipment storage. The estimated capital investment for the project is $2,100,000.00. The eligible infrastructure improvements include water and sewer extensions, drainage facilities, and related site improvements totaling approximately $202,728.00.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball's economy. Per the analysis, the estimated 5-year net benefit for the City of Tomball is $218,981.00. The proposed incentive is an amount not to exceed $65,694.00, based on actual expenditures for eligible infrastructure improvements. The anticipated rate of return on the incentive over 5 years is 66.7%.

Brandt Construction L.L.C.

9337 Spring Cypress Rd G-3
Spring Tx, 77379

KDW **November 3, 2016**

Dear Kelly

Brandt Construction LLC is submitting this request for grant funding assistance to TEDC for our business relocation.

Brandt Construction LLC was founded in 2001 and has completed hundreds of site construction projects in the surrounding Houston area. We specialize in site development, concrete paving, earthwork, detention development, storm drainage, site utilities, foundations, etc... We have been involved in many high profile projects over the past several years including Reliant Stadium, Minute Maid Park, Baylor Medical Center, several HISD school projects, SFA college expansion, and many others. Our working area includes Houston and surrounding cities.

Brandt Construction currently has 14 employees. We are planning to construct a 4,000 sf professional office building with a detached 3,400 sf shop/warehouse. Both buildings will be metal buildings with the office having stone and stucco elevations for cosmetic enhancement. The new office will serve as our home headquarters for estimating, financial meetings, new development meetings, and daily clerical operations. The shop will serve as a mechanics shop and minimal equipment storage.

I started Brandt Construction over 15 years ago on a property in Houston. Watching the economy and population grow, I have decided it was time to relocate our headquarters closer to home. My family and I have always lived in this area and look forward to moving our office here too! We are excited to join the Tomball community and continue building our business for many years to come.

The total estimated cost of our new facilities project is estimated at $2,100,000.00. We would appreciate your consideration for any grants, tax reductions, or any other incentives you may have to offer to help absorb some of the relocation costs associated with the new office.

Thank You,

Chad Brandt

President, Brandt Construction LLC

RESOLUTION NO. 2016-26-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION'S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND BRANDT CONSTRUCTION LLC TO PROMOTE AND DEVELOP A NEW OR EXPANDED BUSINESS ENTERPRISE; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the "TEDC"), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the "Act"), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Sixty-Five Thousand Six Hundred and Ninety-Four Dollars ($65,694.00), found by the Board to be required or suitable to promote a new business development by Brandt Construction LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business development and is in the best interests of the citizenry; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Sixty-Five Thousand Six Hundred and Ninety-Four Dollars ($65,694.00), to Brandt Construction LLC in accordance with an economic development agreement by and between the TEDC and Brandt Construction LLC, to promote and develop a new or expanded business enterprise, to be located at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this _____ day of _________________, 2016.

PASSED, APPROVED, AND RESOLVED on second and final reading this _____ day of

______________________, 2016.

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

AGREEMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

This Agreement (the "Agreement") is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the "TEDC"), and **Brandt Construction LLC** (the "Company"), 9337 Spring Cypress Road, Suite G3, Spring, Texas 77379.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the "City"), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to develop an approximately 2.3291-acre tract of land within the City, located at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375 (the "Property"), more particularly described in Exhibit "A," attached hereto and made a part hereof; and

WHEREAS, such development shall include the construction of a 4,027-square foot office building and a 3,042-square foot warehouse facility (the "Improvements") on the site, and more particularly described in Exhibit "B," attached hereto and made a part hereof; and

WHEREAS, the Company also proposes to move fourteen (14) full-time employees to the Property and to create three (3) new jobs in Tomball within the first two years of operation in conjunction with the relocation of its business operations to the Property; and

WHEREAS, the TEDC agrees to provide to the Company funding in an amount not to exceed Sixty-Five Thousand Six Hundred and Ninety-Four Dollars ($65,694.00), to assist in the construction of certain targeted infrastructure necessary to promote and develop a new business enterprise on the Property. The infrastructure found by the Board of Directors of TEDC to be required to develop the Property are site improvements and utilities including water, sewer, and drainage facilities (the "Infrastructure Improvements"), identified and described in Exhibit "C," attached hereto and made a part hereof; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will construct and maintain on the Property a 4,027-square foot office building and a 3,042-square foot warehouse facility (the "Improvements") identified and described in Exhibit "B," attached hereto and made a part hereof. In conjunction with development of the Property, the Company further agrees to construct the Improvements contemplated by this Agreement, in accordance with the requirements of the ordinances of the City and the plans and specifications approved by the City.

The Company further represents and agrees that it will certify the final estimated costs of the construction of such Improvements to the TEDC prior to construction.

2.

Construction of the Improvements on the Property, including construction of the Infrastructure Improvements, must commence within 180 days from the date of this Agreement (the “Start Date”), and the Company shall notify the TEDC of such Start Date. The Development of the Property, including construction of the Improvements shall be completed, and all necessary occupancy permits from the City shall be obtained, within eighteen months of the Start Date. Extensions of these deadlines, due to extenuating circumstances or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further represents and agrees that the Improvements described in Paragraph 1 hereof will be operated and maintained for a term of at least five (5) years.

4.

The Company further covenants and agrees that the Company or any owner or lessee of the Improvements does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized by law to be employed in that manner in the United States.

5.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to reimburse the Company based on the actual cost of the Improvements in an amount not to exceed Sixty-Five Thousand Six Hundred and Ninety-Four Dollars ($65,694.00). The TEDC agrees to reimburse the Company for such amount within thirty (30) days of receipt of a letter from the Company requesting such payment and including: (a) certification of the actual cost of constructing the Infrastructure Improvements; (b) a copy of the City's occupancy permit for the Improvements to the Property; (c) verification from the City acknowledging that all necessary plats, permits, plans, and specifications have been received, reviewed, and approved; (d) verification that the Infrastructure Improvements have been constructed in accordance with the approved plans and specifications; (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Infrastructure Improvements have been paid and any and all liens and claims regarding such work have been released; and, (f) Proof of payment to all contractors and subcontractors providing work and/or materials in the construction of the Infrastructure Improvements, proof of payment must include copies of canceled checks and/or credit card receipts and copies of paid invoices from all contractors and subcontractors.

6.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company, or any owner or lessee of the Improvements, is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default. It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

7.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

8.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

9.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City:	Tomball Economic Development Corporation 401 W. Market Street Tomball, Texas 77375 Attn: President, Board of Directors
If to Company:	Brandt Construction LLC 9337 Spring Cypress Road, Suite G3 Spring, TX 77379 Attn: Chad Brandt, President

10.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

11.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

12.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

13.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

14.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this ______ day of _________________ 2016 (the "Effective Date").

BRANDT CONSTRUCTION LLC

By: ____

Name: Chad Brandt ___________________________

Title: President ______________________________

ATTEST:

By: _________________________________

Name: _________________________________

Title: _________________________________

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: ______________________________

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: ______________________________

Name: William Sumner, Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _________________ 2016, by ___________________________, the ___________________________________ of Brandt Construction LLC and on behalf of said Company.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _________________ 2016, by _______________________________, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

EXHIBIT "A"

Legal Description of Property

2.3291 acres of land situated in the Jesse Pruitt Survey, Abstract Number 629, City of Tomball, Harris County, Texas, being a portion of Lot 1, Block 1 of Brandt Holdings, a subdivision as shown on map or plat recorded under Film Code Number 679589 of the Map Records of Harris County, Texas.

EXHIBIT "B"

Description of Improvements

Construction of a 4,027-square foot office building and a 3,042-square foot warehouse facility on an approximately 2.3291-acre tract of land located at 22110 Hufsmith-Kohrville Road, Tomball, TX 77375.

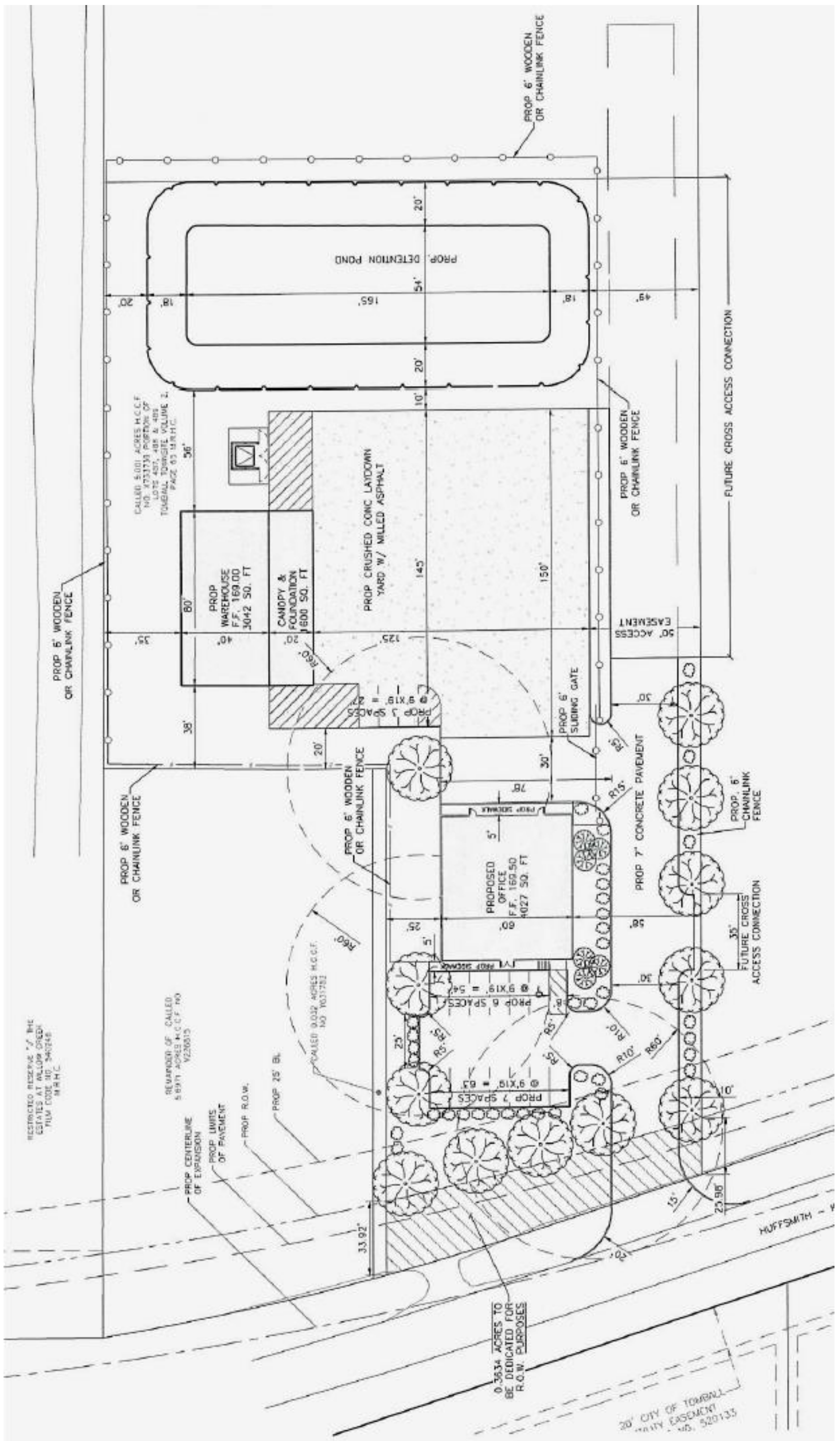


EXHIBIT “C”

Description of Infrastructure Improvements

- Water Line Construction - $10,490
- Sanitary Sewer Construction - $18,522
- Storm Sewer Construction - $58,779
- Drainage Channel Improvements - $4,108
- Site Preparation/Improvements - $110,829

Total: $202,728

EXECUTIVE SUMMARY

A REPORT OF THE ECONOMIC IMPACT OF BRANDT CONSTRUCTION LLC IN TOMBALL, TX

November 7, 2016

Prepared by:
Tomball Economic Development Corporation
29201 Quinn Rd., Suite B
Tomball, Texas 77375

Prepared using Total Impact

PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model is a customized software program licensed to the Tomball Economic Development Corporation. The model includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in Tomball Economic Development Corporation's Total Impact User Guide.

The analysis relies on prospective estimates of business activity that may not be realized. Tomball Economic Development Corporation made reasonable efforts to ensure that the project-specific data entered into the Total Impact model reflects realistic estimates of future activity.

No warranty or representation is made by Tomball Economic Development Corporation or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

CONTENTS

Introduction

This report presents the results of an economic impact analysis performed using Total Impact, a model developed by Impact DataSource. The report estimates the impact that a potential project in the City of Tomball will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Description of the Project

Brandt Construction LLC was founded in 2001 and specializes in site development, concrete paving, earthwork, detention development, storm drainage, site utilities, foundations, etc. Brandt Construction is currently located in Spring, TX and has 14 employees. The company plans to relocate to a 2.3291-acre tract located on Hufsmith-Kohrville Road in Tomball and desires to construct a 4,027 sf professional office building and a 3,042 sf shop/warehouse. The office will serve a home headquarters for estimating, financial meetings, new development meetings, and daily clerical operations. The shop will serve as a mechanics shop and minimal equipment storage. The estimated capital investment for the project is $2,100,000.00.

Economic Impact Overview

The Project's operations will support employment and other economic impacts in the community. The 17.0 workers directly employed by the Project will earn approximately $55,000 per year on average over the next 10 years. This direct activity will support 9.4 indirect and induced workers in the community earning $41,000 on average over the next 10 years. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately $13.0 million over the next 10 years.

On average, the Project will generate $4.0 million in direct economic output over the next 10 years. Spin-off businesses in the community will produce $1.7 million in economic output per year as a result of the Project. In total, the Project will support $5.7 million in economic output per year on average. Economic output is the value of goods and services produced in the economy and can be thought of as revenues for businesses. The economic output calculations in this report were estimated using the RIMS II economic impact model and the Project's employment estimates.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the community, the Project is estimated to support approximately $19.2 million in taxable sales over the next 10 years.

Table 1. Economic Impact Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of permanent direct, indirect, and induced jobs to be created	17.0	9.4	26.4
Salaries to be paid to direct, indirect, and induced workers	$9,157,263	$3,795,686	$12,952,949
Economic output generated by direct, indirect, and induced activity	$39,540,875	$17,413,802	$56,954,677
Taxable sales and purchases expected in the City	$19,059,766	$106,279	$19,166,045

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

Table 2. Population Impacts Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of direct, indirect, and induced workers who will move to the City	0.9	0.5	1.4
Number of new residents in the City	2.3	1.4	3.7
Number of new residential properties to be built in the City	0.1	0.1	0.2
Number of new students expected to attend local school district	0.5	0.3	0.8

The Project is estimated to support an average of approximately $1.8 million in new non-residential taxable property each year over the next 10 years. The taxable value of property supported by the Project over the 10-year period is shown in the following table.

Table 3. Value of Taxable Property Supported by the Project Over the Next 10 Years

		The Project's Property					Total
Year	New Residential Property	Land	Buildings & Other Real Prop. Improvements	Furniture, Fixtures, & Equipment	Inventories	Subtotal Nonresidential Property	Residential & Nonresidential Property
1	$33,735	$200,000	$900,000	$1,000,000	$0	$2,100,000	$2,133,735
2	$34,409	$204,000	$918,000	$900,000	$0	$2,022,000	$2,056,409
3	$35,097	$208,080	$936,360	$800,000	$0	$1,944,440	$1,979,537
4	$35,799	$212,242	$955,087	$700,000	$0	$1,867,329	$1,903,128
5	$36,515	$216,486	$974,189	$600,000	$0	$1,790,675	$1,827,191
6	$37,246	$220,816	$993,673	$500,000	$0	$1,714,489	$1,751,735
7	$37,991	$225,232	$1,013,546	$400,000	$0	$1,638,779	$1,676,769
8	$38,750	$229,737	$1,033,817	$300,000	$0	$1,563,554	$1,602,305
9	$39,525	$234,332	$1,054,493	$200,000	$0	$1,488,825	$1,528,351
10	$40,316	$239,019	$1,075,583	$200,000	$0	$1,514,602	$1,554,918

The taxable value of residential property represents the value of properties that may be constructed as a result of new workers moving to the community.

This analysis assumes the residential real property appreciation rate to be 2.0% per year. The Project's real property is assumed to appreciate at a rate of 2.0% per year. The analysis assumes the Project's furniture, fixtures, and equipment will depreciate over time according to the depreciation schedule shown in Appendix A.

Temporary Construction Impact

The Project will include an initial period of construction where $0.9 million will be spent to construct new buildings and other real property improvements. It is assumed that 70.0% of the construction expenditure will be spent on materials and 30.0% on labor. The temporary construction activity will support temporary economic impacts in the community in the form of temporary construction employment and sales for local construction firms.

Table 4. Spending and Estimated Direct Employment Impact of Project-Related Construction Activity

			Amount
Total construction expenditure			$900,000
	Materials	*$630,000*	
	Labor	*$270,000*	
Temporary Construction Workers Supported (Average Earnings = $51,300)			5.3

The following table presents the temporary economic impacts resulting from the construction.

Table 5. Temporary Economic Impact of Project-Related Construction Activity

	Direct	Indirect & Induced	Total
Number of temporary direct, indirect, and induced job years to be supported*	5.3	4.0	9.3
Salaries to be paid to direct, indirect, and induced workers	$270,000	$141,048	$411,048
Revenues or sales for businesses related to construction	$900,000	$798,840	$1,698,840

** A job year is defined as full employment for one person for 2080 hours in a 12-month span.*

Sales tax calculations related to construction activity are presented in the following table. The sales tax revenue generated from construction-period taxable spending is included in the fiscal impact for affected districts in Year 1 of this analysis.

Table 6. Construction-Related Taxable Spending

		Estimate
Expenditure for Materials		$630,000
Percent of Materials subject to local tax		9.0%
	Subtotal Taxable Materials	$56,700
Expenditure for Labor / Paid to construction workers		$270,000
Percent of gross earnings spent on taxable goods and services		25.0%
Percent of taxable spending done locally		30.0%
	Subtotal Taxable Construction Worker Spending	$20,250
Expenditure for Furniture, Fixtures, & Equipment (FF&E)		$1,000,000
Percent of FF&E subject to local tax		35.0%
	Subtotal Taxable FF&E Purchases	$350,000
Total Construction-Related Taxable Spending		$426,950

The above construction analysis focuses on the impact resulting from the Project's construction investments identified in Year 1. If construction will be phased in over several years or an expansion is planned in a later year, parallel calculations will be performed for those years.

Fiscal Impact Overview

The Project will generate additional benefits and costs for the City. Overall, the City will receive approximately $437,600 in net benefits over the 10-year period. The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

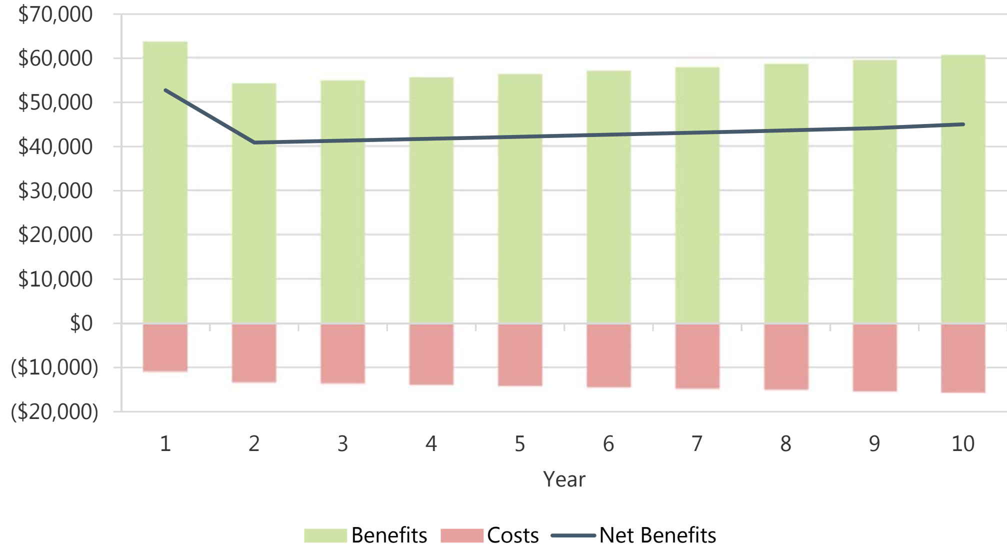
Table 7. City of Tomball: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Sales Taxes	$383,321
Property Taxes - Project	$60,249
Property Taxes - New Residential	$1,261
Utility Revenue	$107,188
Utility Franchise Fees	$8,753
Building Permits and Fees	$3,690
Hotel Occupancy Taxes	$168
Miscellaneous Taxes & User Fees	$13,895
Subtotal Benefits	$578,526
Cost of Providing Municipal Services	($28,338)
Cost of Providing Utility Services	($112,548)
Subtotal Costs	($140,885)
Net Benefits	$437,640
Present Value (5% discount rate)	*$338,656*

Table 8. Year-by-Year Benefits, Costs, and Net Benefits for the City of Tomball

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	$63,618	($10,863)	$52,755	$52,755
2	$54,246	($13,329)	$40,917	$93,672
3	$54,929	($13,596)	$41,333	$135,005
4	$55,632	($13,868)	$41,764	$176,770
5	$56,356	($14,145)	$42,211	$218,981
6	$57,101	($14,428)	$42,673	$261,654
7	$57,869	($14,717)	$43,152	$304,806
8	$58,658	($15,011)	$43,647	$348,453
9	$59,470	($15,311)	$44,159	$392,611
10	$60,646	($15,617)	$45,029	$437,640
Total	$578,526	($140,885)	$437,640	

Figure 1. Annual Fiscal Net Benefits for the City of Tomball



Impact from Project and Workers

The City will receive benefits from the activity, spending, and investments associated with (1) the Project and (2) the workers. These benefits, associated costs, and resulting net benefits for the next 10 years are shown below for these two categories.

Table 9: Net Benefits to the City from the Project and Workers

	The Project	Workers	Total
Sales Taxes	$376,067	$7,254	$383,321
Real Property Taxes	$41,127	$0	$41,127
FF&E Property Taxes	$19,121	$0	$19,121
Inventory Property Taxes	$0	$0	$0
New Residential Property Taxes	$0	$1,261	$1,261
Utility Revenue	$84,945	$22,244	$107,188
Utility Franchise Fees	$7,295	$1,458	$8,753
Building Permits and Fees	$3,690	$0	$3,690
Hotel Occupancy Taxes	$168	$0	$168
Miscellaneous Taxes & User Fees	$8,425	$5,471	$13,895
Subtotal Benefits	$540,838	$37,687	$578,526
Cost of Providing Municipal Services	($17,216)	($11,122)	($28,338)
Cost of Providing Utility Services	($89,192)	($23,356)	($112,548)
Subtotal Costs	($106,407)	($34,478)	($140,885)
Net Benefits	$434,431	$3,209	$437,640
Percent of Total Net Benefits	*99.3%*	*0.7%*	

Non-Tax Incentives

The Tomball EDC is considering the following non-tax incentives for the Project.

Table 14. Incentives Under Consideration

Year	Enter Incentive Description
1	$65,694
2	$0
3	$0
4	$0
5	$0
6	$0
7	$0
8	$0
9	$0
10	$0
Total	$65,694

These financial incentives may be considered an investment in the Project made by the EDC. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the city, treating the incentives as the initial investment and the net benefits to the city as the return on investment. The payback period is the number of years that it will take the city to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

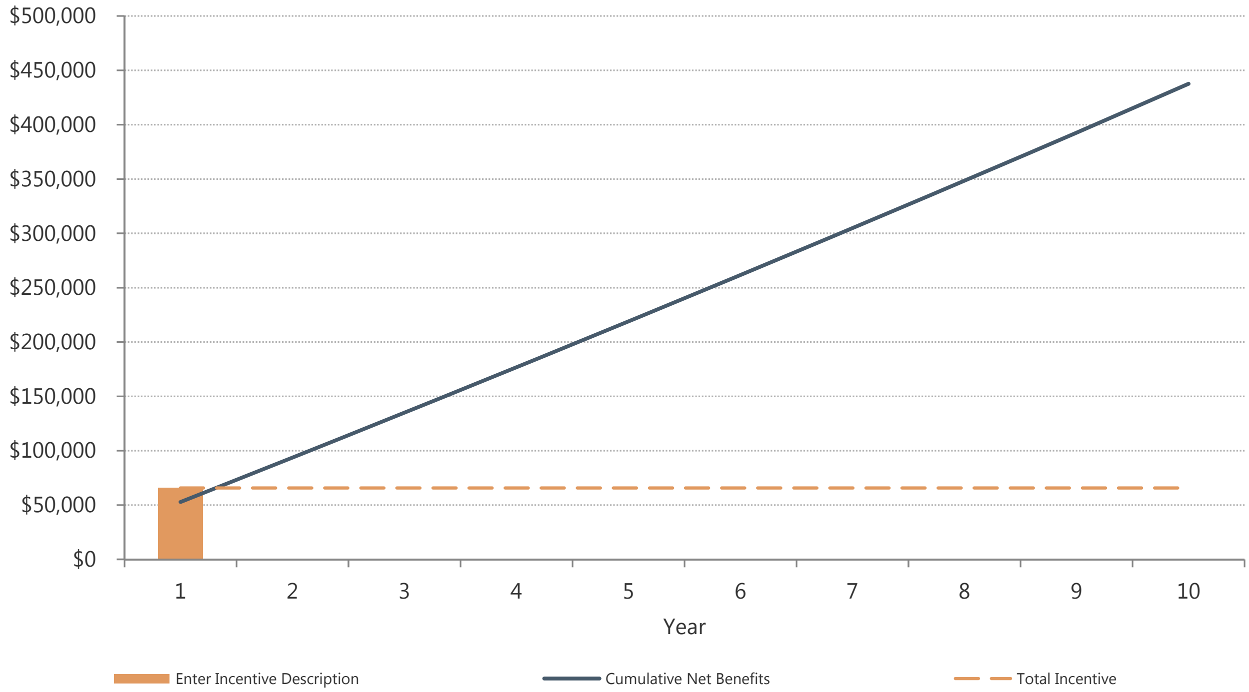
Table 15. Analysis of Incentives

Total Non-Tax Incentive	$65,694
Rate of Return - 5 Years	66.7%
Rate of Return - 10 Years	66.6%
Payback period (years)	1.3

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the City. The intersection indicates the length of time until the incentives are paid back.

Figure 2. Incentives Under Consideration



Overview of Methodology

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

233293 Highways and streets		City	County
Employment Multiplier	(Type II Direct Effect)	1.5522	2.0978
Earnings Multiplier	(Type II Direct Effect)	1.4145	1.8241

The fiscal impacts calculated in this report are detailed in Appendix C. Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach. This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by the city and county to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs. This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced.

However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in Texas and more than 30 other states.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

Accept and Approve Dedication of Sidewalk Easement by Ernest Grandinetti to the City of Tomball for a 5-Ft. Wide Strip of Land Containing 500 Square Feet, Lying Adjacent to the West Line of Lot 19 in Block 19, Revised Map of Tomball, Harris County, Recorded in Volume 4, Page 25 of the Map Records of Harris County, Texas

Background:

Origination:

City Manager

Recommendation:

N/A

Party(ies) responsible for placing this item on agenda:

City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Dedication of Sidewalk Easement
Sidewalk Easement Map

DEDICATION OF SIDEWALK EASEMENT

Date: ______________________

Grantor: Ernest Grandinetti

Grantor's Mailing Address: 606 James Street, Tomball, Texas 77375

Grantee: THE CITY OF TOMBALL, TEXAS, a home-rule municipal corporation.

Grantee Address: 401 Market Street, Tomball, TX 77375 (Harris County).

Consideration: For One Dollar and other good and valuable consideration and as a dedication or gift for the mutual benefit of the Grantor and the City.

Property (including any improvements): An exclusive and perpetual five foot (5') easement for sidewalk purposes, including the right to construct, operate, maintain, inspect, replace, and remove said sidewalk and other related pedestrian amenities and improvements including but not limited to benches, planters, planting areas, shade trades, and water fountains, along, across, over, and under that certain tract or parcel of land in Harris County, Texas, described by metes and bounds in Exhibits 'A' attached hereto, and described by survey plat in Exhibit 'B' attached hereto, Exhibits 'A' and 'B' being incorporated herein by this reference for all purposes.

The City may do and perform all acts necessary to construct, operate, maintain, inspect, replace, and remove a sidewalk and other pedestrian amenities and improvements along, across, over, and under said easement, and operate thereon all necessary machinery and equipment, and the City shall have the right to cut, trim, and remove trees, brush, or shrubbery, or weeds, or to remove improvements which may encroach upon, burden, or interfere with the easement herein granted.

Reversion: In the event that the Property subject to the Easement conveyed herein is transferred to a new owner, the new owner, at the new owner's option, may provide written notice to the City to terminate the easement. Upon such written notice being provided to the City, the easement conveyed herein will revert back to the new owner of the Property.

Reservations from Conveyance: Grantor retains the right to use of the Property for any lawful purpose that is consistent with and does not impair any right granted to the City.

Exceptions to Conveyance and Warranty: NONE.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to the City the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to City, its successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to the City, its successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any from this instrument before it is filed for record in the public records your social security number or your driver's license number.

GRANTOR: ______________________________

By: ______________________________

Printed Name: ______________________________

Its: ______________________________

ACKNOWLEDGEMENT

The State of Texas, County of Harris.

Before me, the undersigned authority, on this day personally appeared ____________________,

known to me to be the person whose name is subscribed to the foregoing instrument, and

acknowledged to me that he/she executed the same as the ______________ (Title) for

____________________ and for the purposes and consideration therein expressed.

Given under my hand and seal of office on this _____ day of ____________, 2016.

Seal

____
Notary Public in and for the State of Texas

Accepted by THE CITY OF TOMBALL

By: ______________________________
George Shackelford, City Manager

Attest/ Seal:

{Seal}

Attest: ______________________ Date: ____________________
Doris Speer, City Secretary

Exhibit A

FIELD NOTES
(Five-Foot-Wide Sidewalk Easement)

Being a five-foot-wide strip of land containing 500 square feet (0.011 acres) lying adjacent to the West line of Lot 19 in Block 19 of **REVISED MAP OF TOMBALL**, an addition in Harris County, Texas, according to the map or plat thereof recorded in Volume 4, Page 25, of the Map Records of Harris County, Texas, said five-foot-wide strip is hereafter referred to as "the subject tract" and is more particularly described as follows:

BEGINNING at the Northeast corner of a brick building with an address of 415 West Main Street lying in the South right-of-way line of F.M. 2920 (also known as Main Street ~ 100 Ft. R-O-W), also being the Northwest corner of Lot 19 and the subject tract. Said point also marks the Northeast corner of Lot 18 and lies 150 feet East of the East right-of-way line of Pine Street;

THENCE North 64°29'00" East, with the South line of F.M. 2920 and the North line of Lot 19, a distance of 5.00 feet to a point marking the Northeast corner of the subject tract;

THENCE South 25°31'00" East, departing the South line of F.M. 2920 and the North line of said Lot 19, a distance of 100.00 feet to a point lying in the South line of said Lot 19, in the North line of a twenty-foot-wide City of Tomball alley, and marking the Southeast corner of the subject tract;

THENCE South 64°29'00" West, with the North line of the said alley, a distance of 5.00 feet to a 1-inch iron pipe found marking the Southwest corner of the subject tract and Lot 19, and the Southeast corner of said Lot 18;

THENCE North 25°31'00" West, departing the said alley, and with the common line of Lots 18 and 19, a distance of 100.00 feet to the **POINT OF BEGINNING** and containing 500 square feet of land.

NOTE #1: These field notes are submitted in conjunction with a plat by Tony Swonke Land Surveying, reference to which is here made.

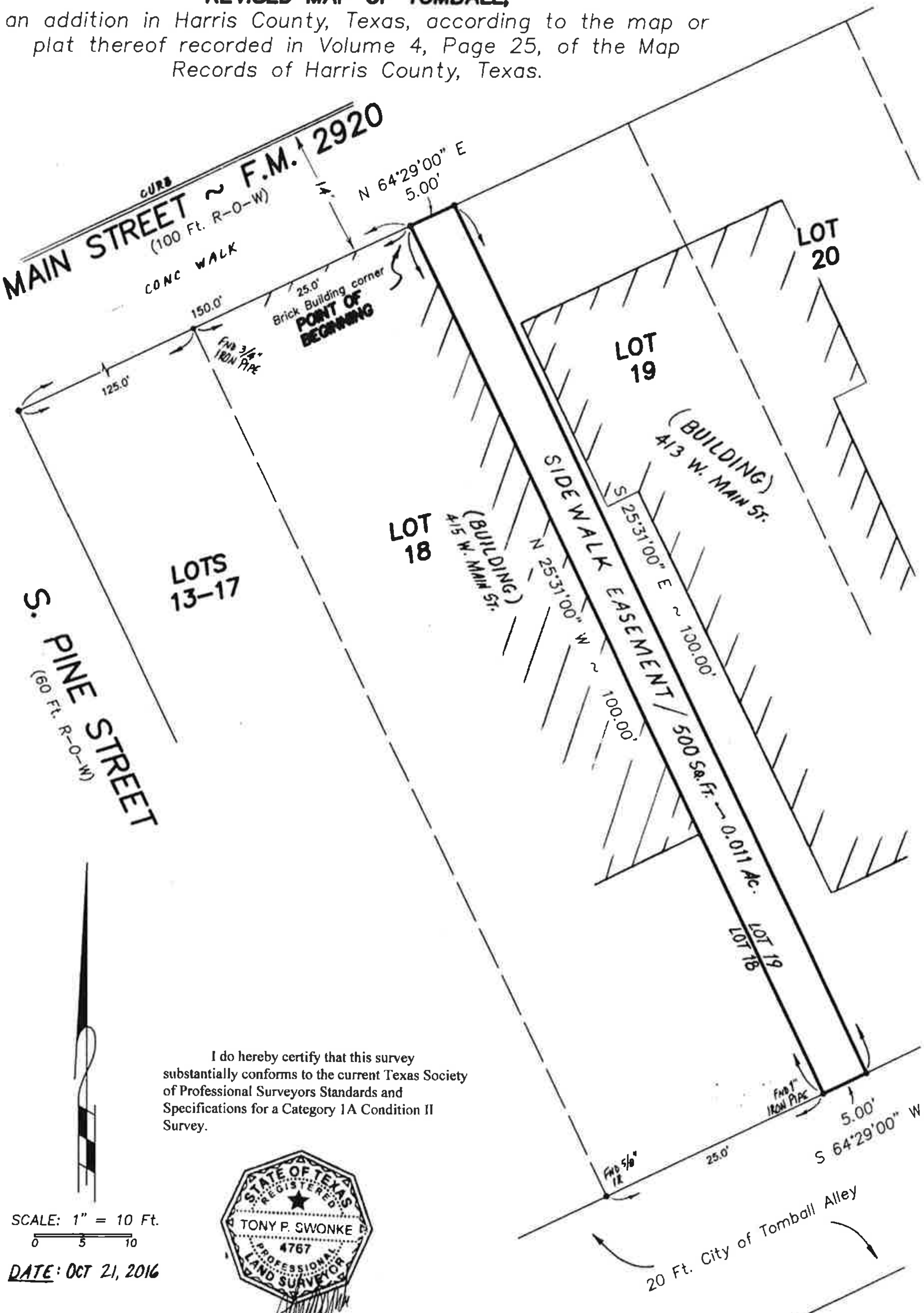
STATE OF TEXAS
REGISTERED
TONY P. SWONKE
4767
PROFESSIONAL
LAND SURVEYOR

Tony P. Swonke
R.P.L.S.No. 4767
October 21, 2016

A plat of a five-foot-wide "Sidewalk Easement" along the West line of Lot 19 in Block 19 of

REVISED MAP OF TOMBALL,

an addition in Harris County, Texas, according to the map or plat thereof recorded in Volume 4, Page 25, of the Map Records of Harris County, Texas.



I do hereby certify that this survey substantially conforms to the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A Condition II Survey.

STATE OF TEXAS REGISTERED TONY P. SWONKE 4767 PROFESSIONAL LAND SURVEYOR

Prepared by

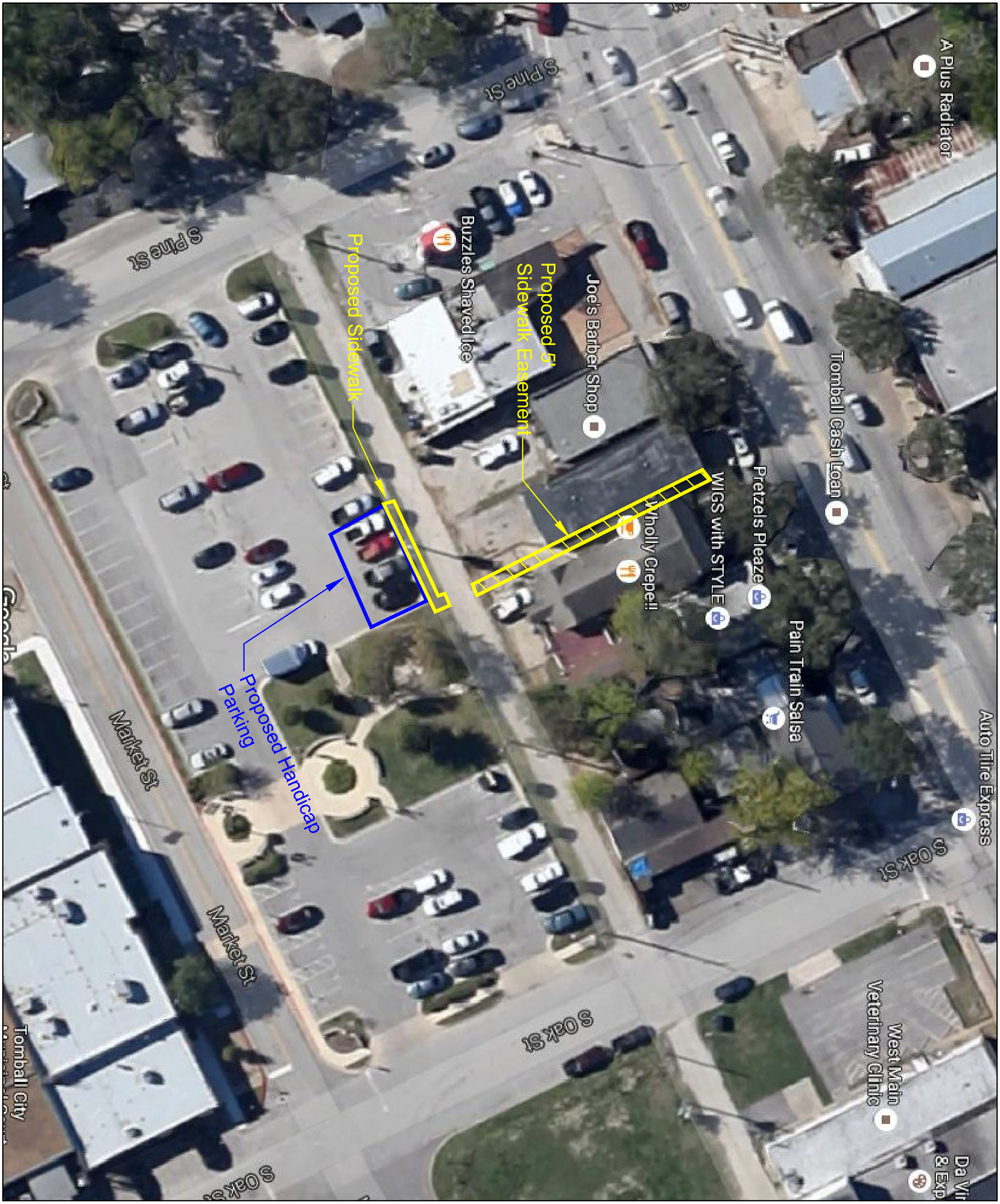
Tony Swonke Land Surveying

700 Kane Street

Tomball, TX 77375

281-351-7789

Exhibit B


Proposed Sidewalk
Proposed 5' Sidewalk Easement
Proposed Handicap Parking
Buzzles Shaved Ice
Joe's Barber Shop
A Plus Radiator
Tomball Cash Loan
Pretzels Pleaze
WIGS with STYLE
Wholly Crepe!!
Pain Train Salsa
Auto Tire Express
West Main Veterinary Clinic
S Pine St
S Pine St
Market St
Market St
S Oak St
S Oak St
S Oak St
Tomball City

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:

Award Contract for Bid No. 2017-03, Sale of Improvements Located at 114 Fannin Street, to Rodney K. Hutson, in the Amount of $100 and Lot 10, Block 5 of Tomball Outlots with Contingencies

Background:

In an effort to sell the improvements at 114 Fannin St. and remove them from the property for the expansion of the Railroad Museum, the City solicited bids to secure the most favorable pricing. In addition to standard bid advertising, bid packets were made available at the Public Works Administration Building and one qualified bid was received from Rodney K. Hutson. The qualified bid was for $100.00 and the property is located at Lot 10, Block 5 of Tomball Outlots on Fannin Street for the house.

The bid received is contingent upon the following items:

- Board of Adjustments granting a variance request to move the house to 121 W. Main Street. If approval is received the house is to be moved within 60 days.

The City will complete the asbestos abatement of the house prior to moving; the window casings will be left and the windows removed. Bidder is responsible for obtaining all appropriate permits as well as any expenses incurred for the house moving.

Origination:

Public Works Department

Recommendation:

Public Works staff recommends awarding contract for bid number 2017-03 Sale of Improvements at 114 Fannin St. to Rodney K. Hutson contingent upon BOA approval

Party(ies) responsible for placing this item on agenda:

Meagan Mageo, Project Coordinator

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Bid Tabulation
Contract
Map and HCAD Information

Bid Number 2017-03 - Sale of Improvements located at 114 Fannin Street

Bid Tabulation

Name:Rodney Hutson		
Bid Bond Submitted	**Offer Price**	**Special Notes**
Cashier Check	Exchange Lot 10, Block 5 of Fannin Street and $100	NONE

CONTRACT FOR REMOVAL AND SALE OF STRUCTURE

THE STATE OF TEXAS	**§**	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF HARRIS	**§**	

This Contract For Removal of and Sale of Structure is made and entered into by and between the City of Tomball, Texas, a municipal corporation located in Harris County, hereinafter called "City," acting by and through its duly authorized representative, and **Rodney K. Huston**, hereinafter called "Contractor."

* * * * * * * * * * * *

WHEREAS, the City is the owner of a tract of land known as 114 Fannin Street, Tomball, Texas (the "Property"), upon which there exists a residential structure that the City desires to have removed; and

WHEREAS, Contractor desires to move or remove the structure; now, therefore,

For and in consideration of the mutual obligations contained herein, City and Contractor agree as follows:

1. The Contractor shall remove the structure and restore the surface of the Property within 60 days of the effective date of this Contract.

2. Contractor shall pay the City the sum of $100.00 as well as transfer Lot 10, Block 5 of Fannin Street, for the structure. Contractor shall take the structure "as is"; the City provides no warranties as to the condition or usability of the structure.

3. Contractor agrees to release and hold harmless City its officers, agents and employees, from and against any claim for damage to all or any portion of the Property incident to the removal of the residential structure as set forth herein.

The term of this Contract shall be for a period of one (1) year, commencing on the date of execution hereof, but shall terminate immediately upon completion of the removal process and the restoration of the land. Notwithstanding the foregoing, the provisions of paragraph "3" above shall survive termination of this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on this the _____ day of ________________ 2016, and further state that this Contract constitutes the entire agreement between the parties.

CITY OF TOMBALL, TEXAS:

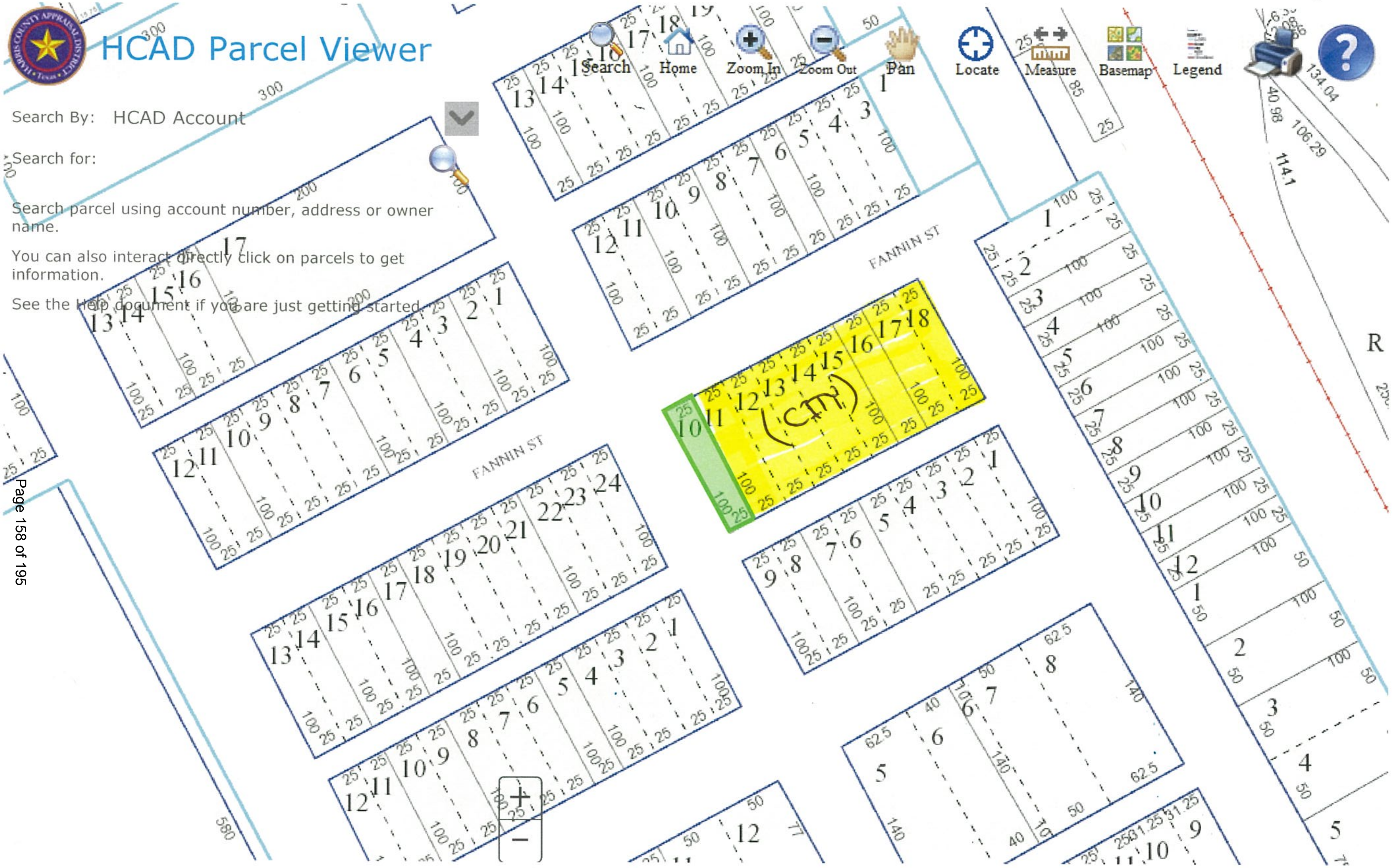
____
George Shackelford, City Manager

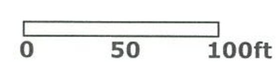
ATTEST:

____
Doris Speer, City Secretary

CONTRACTOR:

____
____________________________ (Printed Name)


HCAD Parcel Viewer
Search
Home
Zoom In
Zoom Out
Pan
Locate
Measure
Basemap
Legend
Search By: HCAD Account
Search for:
Search parcel using account number, address or owner name.
You can also interact directly click on parcels to get information.
See the Help document if you are just getting started.
FANNIN ST
FANNIN ST
(CM)


0
50
100ft

Thursday, November 17, 2016

Tax Year: 2016

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0352570050010

Print E-mail

Ownership History

Owner and Property Information

Owner Name & Mailing Address:	**HUTSON RODNEY K MD PA** **PROFIT SHARING TRUST** **9431 ROSIE LN STE 100** **MAGNOLIA TX 77354-3706**	Legal Description:	**LT 10 BLK 5** **TOMBALL**
		Property Address:	**0 FANNIN ST** **TOMBALL TX 77375**

State Class Code	Land Use Code
C1 -- Real, Vacant Lots/Tracts (In City)	1000 -- Residential Vacant

Land Area	Total Living Area	Neighborhood	Neighborhood Group	Market Area	Map Facet	Key Map®
2,500 SF	0 SF	2593.04	26015	400 -- ISD 26 - Tomball ISD	4771B	288H

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/08/2016	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2015 Rate	2016 Rate	Online Tax Bill
None	026	TOMBALL ISD		Supplemental: 11/04/2016	1.340000	1.340000	View
	040	HARRIS COUNTY		Supplemental: 11/04/2016	0.419230	0.416560	View
	041	HARRIS CO FLOOD CNTRL		Supplemental: 11/04/2016	0.027330	0.028290	View
	042	PORT OF HOUSTON AUTHY		Supplemental: 11/04/2016	0.013420	0.013340	View
	043	HARRIS CO HOSP DIST			0.170000	0.171790	View

		Supplemental: 11/04/2016			
044	HARRIS CO EDUC DEPT	Supplemental: 11/04/2016	0.005422	0.005200	View
045	LONE STAR COLLEGE SYS	Supplemental: 11/04/2016	0.107900	0.107800	View
083	CITY OF TOMBALL	Supplemental: 11/04/2016	0.341455	0.341455	View
679	HC EMERG SERV DIST 8	Supplemental: 11/04/2016	0.100000	0.095470	View

Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at **HCAD's information center at 13013 NW Freeway.**

Valuations

Value as of January 1, 2015	Market	Appraised	Value as of January 1, 2016	Market	Appraised
Land	10,660		Land	10,000	
Improvement	0		Improvement	0	
Total	10,660	10,660	Total	10,000	10,000

5-Year Value History

Land

Market Value Land

Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	1000 -- Res Vacant Table Value	SF5	SF	2,500	1.64	1.00	0.65	Shape or Size	1.07	4.00	4.26	10,660.00

Building

Vacant (No Building Data)

Regular City Council
Agenda Item
Data Sheet

Meeting Date: November 21, 2016

Topic:

Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.071 - Consultation with the City Attorney regarding a matter that the Attorney's duty requires to be discussed in closed session.

Background:

Origination:

City Manager

Recommendation:

N/A

Party(ies) responsible for placing this item on agenda:

City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council Agenda Item Data Sheet

Meeting Date: November 21, 2016

Topic:

Terminate the Professional Services Agreement with LJA Engineering and Approve the Professional Services Agreement for Engineering Services to Gunda Corporation for the M121 East & West Drainage Channels & Detention Basin Final Design

Background:

The M121 channel has been designed and constructed from Hardin Ditch (Northernmost starting point) to Theis Road. In 2011, when we entered into the contract with LJA Engineering, design and construction was estimated to be substantially completed in one year. While there are a number of issues that have played a role in the delay (e.g. wetlands, pipelines, and property acquisition), we are at a juncture in this project, which allows for a change in engineering firms, which staff believes is prudent and necessary to improve efficiencies and expedite completion of this project.

Origination:

Public Works Department

Recommendation:

Staff recommends terminating the existing contract with LJA Engineering, Inc and awarding contract to Gunda Corporation.

Funding:

Yes

Account Number:400-154-6409

Party(ies) responsible for placing this item on agenda:

David Esquivel, Public Works Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

PSA - LJA Engineering Inc

PSA - Gunda Corporation

PROFESSIONAL SERVICES AGREEMENT
FOR
ENGINEERING SERVICES
RELATED TO
M121 EAST & WEST CHANNELS & DETENTION BASIN FINAL DESIGN
E&P PROJECT NUMBER: 2003-10005

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

THIS AGREEMENT made on the 7th day of December, 2011 entered into, and executed by and between the City of Tomball, Texas (the "City"), a municipal corporation of the State of Texas, and LJA Engineering, Inc. ("Engineer").

WITNESSETH:

WHEREAS, the City desires to complete Final Design for the Willow Creek Tributary M121 East & West Channels and Detention Basin (the "Project"); and

WHEREAS, the services of a professional engineering firm are necessary to complete Final Design for the Willow Creek Tributary M121 East & West Channels and Detention Basin, and

WHEREAS, the Engineer represents that it is fully capable and qualified to provide professional services to the City related to completing Final Design for the Willow Creek Tributary M121 East & West Channels and Detention Basin;

NOW, THEREFORE, the City and Engineer, in consideration of the mutual covenants and agreements herein contained, do mutually agree as follows:

SECTION I
SCOPE OF AGREEMENT

Engineer agrees to perform certain professional engineering services as defined in Attachment "A" attached hereto and made a part hereof for all purposes, hereinafter sometimes referred to as "Scope of Work," and for having rendered such services, the City agrees to pay Engineer compensation as stated in Section VII.

SECTION II
CHARACTER AND EXTENT OF SERVICES

Engineer shall do all things necessary to render the engineering services and perform the Scope of Work in a professional and workmanlike manner. It is expressly understood and agreed that Engineer is an Independent Contractor in the performance of the services agreed to herein. It is further understood and agreed that Engineer shall not have the authority to obligate or bind the City, or make representations or commitments on behalf of the City or its officers or employees without the express prior approval of the City. The City shall be under no obligation to pay for services rendered not identified in Attachment "A" without prior written authorization from the City.

SECTION III
OWNERSHIP OF WORK PRODUCT

Engineer agrees that the City shall have the right to use all exhibits, maps, reports, analyses and other documents prepared or compiled by Engineer pursuant to this Agreement. The City shall be the absolute and unqualified owner of all studies, exhibits, maps, reports, analyses, determinations, recommendations, computer files, and other documents prepared or acquired pursuant to this Agreement with the same force and effect as if the City had prepared or acquired the same.

SECTION IV
TIME FOR PERFORMANCE

The time for performance of the Scope of Work is two-hundred and forty (240) days beginning from the execution date of this Agreement. Upon written request of Engineer, the City may grant time extensions to the extent of any delays caused by the City or other agencies with which the work must be coordinated and over which Engineer has no control.

In the event funding is not available, this agreement will be null and void.

SECTION V
COMPLIANCE AND STANDARDS

Engineer agrees to perform the work hereunder in accordance with generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the applicable profession to comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the work to be performed hereunder and Engineer's performance.

SECTION VI
INDEMNIFICATION

To the fullest extent permitted by Texas Local Government Code Section 271.904, Engineer shall and does hereby agree to indemnify, hold harmless and defend the City, its officers, agents, and employees against liability for damage caused by or resulting from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer, the Engineer's agent, consultant under contract, or another entity over which the Engineer exercises control.

SECTION VII
ENGINEER'S COMPENSATION

For and in consideration of the services rendered by Engineer pursuant to this Agreement, the City shall pay Engineer only for the actual work performed under the Scope of Work, on the basis set forth in Attachment "A," up to an amount not to exceed $1,445,800.00, plus reimbursable expenses as identified in Attachment "A."

SECTION VIII
TERMINATION

The City may terminate this Agreement at any time by giving written notice to Engineer. Upon receipt of such notice, Engineer shall discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders or contracts are chargeable to the Agreement. As soon as practicable after receipt of notice of termination, Engineer shall submit a sworn statement, showing in detail the services performed under this Agreement to the date of termination. The City shall then pay Engineer performed under this Agreement bear to the total services called for under this Agreement, less such payments on account of the charges as have been previously made. Copies of all completed or partially completed designs, maps, studies, documents and other work product prepared under this Agreement shall be delivered to the City when and if this Agreement is terminated.

SECTION IX
ADDRESSES, NOTICES AND COMMUNICATIONS

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to Engineer at the following address:

LJA Engineering, Inc.
2929 Briarpark Drive, Suite 600
Houston, TX 77042
Attn: David H. Zuhlke, P.E., CFM

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to the City at the following address:

City of Tomball
501 James Street
Tomball, Texas 77375
Attn: Director of Engineering and Planning

SECTION X
LIMIT OF APPROPRIATION

Prior to the execution of this Agreement, Engineer has been advised by the City and Engineer clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the City shall have available only those sums as expressly provided for under this Agreement to discharge any and all liabilities which may be incurred by the City and that the total compensation that Engineer may become entitled to hereunder and the total sum that the City shall become liable to pay to Engineer hereunder shall not under any conditions, circumstances, or interpretations hereof exceed the amounts as provided for in this Agreement.

SECTION XI
SUCCESSORS AND ASSIGNS

The City and Engineer bind themselves and their successors and assigns to the other party of this Agreement and to the successors and assigns of such other party, in respect to all covenants of this Agreement. Engineer shall not assign, sublet, or transfer its interest in this Agreement without the written consent of the City. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the City or any public body which may be a party hereto.

SECTION XII
MODIFICATIONS

This instrument, including Attachment "A," contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. To the extent there is a conflict between the provisions of this Agreement and the provisions of Attachment "A," this Agreement shall control. Any oral or written representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing signed by both parties hereto.

SECTION XIII
ADDITIONAL SERVICES OF ENGINEER

If authorized in writing by the City, Engineer shall furnish, or obtain from others, Additional Services that may be required because of significant changes in the scope, extent or character of the portions of the Project designed or specified by the Engineer, as defined in Attachment "A." These Additional Services, plus reimbursable expenses, will be paid for by the Owner on the basis set forth in Attachment "A," up to the amount authorized in writing by the City.

SECTION XIV
CONFLICTS OF INTEREST

Pursuant to the requirements of the Chapter 176 of the Texas Local Government Code, Engineer shall fully complete and file with the City Secretary a Conflict of Interest Questionnaire.

SECTION XV
PAYMENT TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Invoices for Basic and Additional Services and reimbursable expenses will be prepared in accordance with Engineer's standard invoicing practices and will be submitted to the City by Engineer at least monthly. Invoices are due and payable thirty (30) days after receipt by the City.

SECTION XVI
INSURANCE

Engineer shall procure and maintain insurance in accordance with the terms and conditions set forth in Attachment "B," for protection from workers' compensation claims, claims for damages because of bodily injury, including personal injury, sickness or disease or death, claims or damages because of injury to or destruction of property including loss of use resulting therefrom, and claims of errors and omissions.

SECTION XVII
MISCELLANEOUS PROVISIONS

A. This Agreement is subject to the provisions of the Texas Prompt Payment Act, Chapter 2250 of the Texas Government Code. The approval or payment of any invoice shall not be considered to be evidence of performance by Engineer or of the receipt of or acceptance by the City of the work covered by such invoice.

B. Venue for any legal actions arising out of this Agreement shall lie exclusively in the federal and state courts of Harris County, Texas.

C. This Agreement is for sole benefit of the City and Engineer, and no provision of this Agreement shall be interpreted to grant or convey to any other person any benefits or rights.

D. Contractor further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United State, of (b) authorized by law to be employed in that manner in the United States.

IN WITNESS WHEREOF, the City of Tomball has lawfully caused this Agreement to be executed by the City Manager of said City and attested by the City Secretary, and LJA Engineering, Inc., acting by and through its duly authorized officer/representative, does now sign, execute, and deliver this instrument.

EXECUTED on this 7th day of December, 2011.

ENGINEER:

LJA ENGINEERING, INC.

By: Jeff P. Coll
Name: Jeff P. Collins, PE
Title: Senior Vice President

CITY OF TOMBALL, TEXAS

George Shackelford, City Manager

ATTEST:

Doris Speer, City Secretary

ATTACHMENT "A"

SCOPE OF SERVICES

AND

BASIS OF COMPENSATION AND REIMBURSABLE EXPENSES

ATTACHMENT A

SCOPE OF SERVICES
M121 CHANNEL AND DETENTION BASIN DESIGN

The proposed project is to complete one construction plan set and specifications for the Willow Creek Tributary M121 West and East. The limits of the plans are from the confluence with Willow Creek to approximately Hardin Street Ditch, as outlined in the M121 Preliminary Engineering Report, dated October 2009. The length of the project is approximately 11,000 feet from Willow Creek up to Hardin Street Ditch for the M121 West alignment including approximately 2800 feet of the existing M121-00-00 channel alignment from Willow Creek to Holderrieth Road and 2400 feet of Hardin Street Ditch including improvements for Hampton Place development. The M121 East alignment will be completed from Holderrieth north to its terminus at Agg Road which is approximately 3000 feet. The existing M500-01-00 detention basin will require some work for side slope repair and final grading to bring the site up to HCFCD standards. The project will also include associated detention to offset the impacts in the Willow Creek watershed for ultimate development. The project will be designed to HCFCD standards and specifications to allow for the possibility of HCFCD taking over maintenance in the future.

PHASE 1 – FINAL CONSTRUCTION PLANS (Lump Sum)

1. Coordination, Meeting Attendance and Field Visit

- Coordinate between City of Tomball and the other members on the project team, which include the surveyor, ecologists, subsurface utility engineering team and the geotechnical engineers. The coordination effort will also include coordination with HCFCD and Harris County Precinct 4. A maximum of four meetings will take place with HCFCD and Harris County Precinct 4.
- Attend meetings with City of Tomball staff to discuss the project. A maximum of six meetings will take place.
- Field Visit: Conduct two field visits of the watershed and determine locations of possible conflicts or potential design conflicts.

2. Update Hydrology and Hydraulics

HEC-RAS models will be updated with field obtained topographic information for the section of M121 West south of Holderrieth Road. During the PER for the project, LiDAR information was used for this area. It is expected during the final design phase some revisions to the HEC-RAS models will be required due to field conditions. Also additional modeling for the two tracts of land on the east side of M121 West at Hardin Street Ditch will be included.

3. HCFCD Drainage Impact Analysis Report and Drainage Memo

A drainage impact analysis report will be submitted to HCFCD for review and approval. This report is required as the project will connect to a HCFCD facility. Part of the drainage impact report will be a phasing plan to demonstrate at what development density the additional detention expansion will need to be constructed. To meet minimum HCFCD detention requirements, the report may encompass both the M121 and adjacent M118 watershed improvements. At the time of this scope, it is anticipated that M118 and M121 construction should happen simultaneously or M118 is expected to be competed prior to M121 effort. The report will include any modeling revisions encountered during the first part of the design phase due to new topography. This scope does not include a CLOMR or LOMR for these projects.

A separate drainage memo will be completed for scenarios investigated for improving the Hardin Street Ditch to box culverts and proposed improvements to reduce existing flooding from the Hampton Place.

4. Construction Plans and Specification

LJA will create plan and profile sheets on 22" x 34" sheet size at a horizontal scale of 1" = 20' and a vertical scale of 1" = 2' for the channel portion of the project. Existing utilities, existing property ownership, proposed channel flowline, proposed drainage structures, and erosion control structures will be shown on the plan and profile sheets. Cross-sections will be cut at 200-foot intervals for the project. Storm Water Pollution Prevention Plan sheets (1" = 100') will be prepared for the channel improvement project including details. Other channel sheets will include drainage area map, detail sheets, and typical sections.

For this scope of services, it is anticipated that one complete construction package will be completed for the M121 West and M121 East channels. At a date determined later by the City, the west and east packages may be split into two separate packages for bidding and construction purposes. The effort required to split the overall design is not part of this scope of services.

LJA will design bridges meeting Harris County Public Infrastructure Department Architecture and Engineering Division requirements for the following locations:

- Holderrieth Road (two crossing: M121W and M121E)
- Theis Road

The bridge design for this scope assumes that the ultimate Holderrieth Road 4-lane boulevard section will require two separate bridge structures and for this scope only one –two lane bridge at each location will be designed. Discussions will take place with Harris County Precinct 4 to determine if this will be acceptable and to determine if the north or south bridge structure will be designed for this project. Bridge layout sheets along with bridge details will be developed for each bridge location. At the time of this scope, it is anticipated no bridges will be required along the M121 West channel south of Holderrieth for landowner access. Landowner access for property south of the M121 West channel alignment will be provided via an access road on the south edge of the channel and not bridges across M121 West.

For Traffic Control, this scope provides for phased construction of the three proposed bridges, maintaining traffic at each location. Plans will include all temporary pavement, signage and pavement markings, and other installations necessary to provide for continual traffic operations during the construction period.

For this scope, it will be assumed that all of the private utilities will be moved prior to construction; and assumed no public utility relocation sheets will be required in the plan set.

LJA will develop structural design sheets for the concrete drop structures for three (3) locations along the M121 West channel alignment and three (3) locations along M121 East channel alignment. Structural detail sheets will be developed for each location.

A horizontal layout sheet, grading sheet, and Storm Water Pollution Prevention Plan sheet will be created for the completion of excavation of the M500-01-00 detention basin and ultimate expansion. Currently, HCFCD has excavated approximately 90% of the current M500-01-00 detention basin location. The ultimate expansion for the M500-01-00 basin will be designed as well under this scope of services. Existing utilities, existing property ownership, proposed basin, proposed drainage structures, and erosion control structures will be shown on the plan sheets. Other detention basin sheets will include typical sections, cross-section sheets, control structure details and drainage details. It will be assumed that all of the private utilities will be moved prior to construction.

5. Advertise, Bid and Award

LJA will advertise the project, attend pre-bid conference, attend bid opening, and tabulate bid estimates. After the bids have been tabulated, LJA will recommend awarding of contract. Construction administration is not in this scope of services. However, LJA will be pleased to provide construction phase services to the extent required by the City.

6. Cost Analysis

LJA shall prepare a cost estimate for construction for the channel and detention project. The cost estimate will include existing utility relocation costs along with cost items for construction of the channel itself.

ADDITIONAL SERVICE ITEMS (Time and Materials with Limit)

1. Field Surveying

In the PER study, topographic survey was completed for a majority of the M121 West channel alignment. The only area not field surveyed was the portion of the channel south of Holderrieth, approximately 2500 feet. Property acquisition documents will be developed for the M121 West channel alignment south of Holderrieth until its confluence with the existing M121-00-00 channel. Property acquisition documents will be developed for the M121 East channel alignment north of the Hometown Apartments. The following items describe the surveying services to be completed for the final design project:

- Horizontal Control: The stationing of the cross sections will begin at the intersection of the M121 West alignment and the existing M121 channel and increasing the channel stationing moving upstream. The first complete cross section for the project will begin at the intersection of the two alignments.

- Vertical Control: All vertical information will be based on NAVD 1988 datum with 2001 adjustment.
- Topographic Surveying: A detailed topographic survey will be conducted by taking cross sections every 200 feet from right-of-way line to right-of-way line. In areas where the City of Tomball does not own the ROW, an additional 100 feet outside of preliminary ROW (50 feet each side) will be surveyed. All cross sections are to be surveyed perpendicular to the ROW. All abrupt changes in elevations are to be surveyed. At all road crossings, the profile of the road centerline is to be surveyed. The roadway profiles at all crossings are to be surveyed as if the surveyor is looking downstream. Along with the roadway profiles, the roadside ditches shall be surveyed as well. The excavated M500-01-00 detention basin has been surveyed by HCFCD personnel and will be used for design purposes. Some minor additional areas around the wetland area may need field surveying. The two additional parcels of land for the M500-01-00 expansion will have the boundary established as well as the existing Willow Creek easement located along its centerline. A 200-ft grid will be established for topographic work on the site. This information will be used as the base information for the project.
- Topographic survey of the M121 lateral ROW from Cherry Street to M121 East.
- Surface Features: Existing features such as roadways, utilities, fences, culvert, etc. will be located within the proposed ROW.
- Utility Location: The surveyors are responsible for locating storm sewers, sanitary sewers, waterlines, telephone lines and pipelines (if the pipeline markers exist) within the proposed ROW. No probing will occur.
- Boundary surveys: Surveyor will locate all property corners already owned by the City of Tomball. Any missing or destroyed property corners shall be re-established. In areas of the project that does not have ROW currently owned by the City of Tomball, the adjacent property lines will be established.
- The City of Tomball will obtain all right of entry for property not owned by the City for this project.
- Bore Locations: After the geotechnical bores have been completed, surveyor will tie in the bore hole locations on the topographic survey.
- Coordinate with SUE subcontractor for benchmark information as well as staking the M121 West channel centerline south of Holderrieth to M121 confluence at 200 foot intervals.
- Property acquisition: Surveyor will create an overall acquisition map showing all parcels to be obtained.
- Boundary surveys: Surveyor will create individual parcel sketches and legal descriptions for each parcel to be acquired. The following list is the expected property acquisition:

  a) M121 East Parcels – 9 assumed
  b) M121 West (south of Holderrieth) – 5 assumed
  c) M121 lateral – 4 assumed

  In addition, the Hardin Street Ditch right-of-way will be verified from M121 West to Cherry Street to confirm the City does have ownership of all property.

2. Geotechnical Investigation

A geotechnical consultant will conduct a geotechnical investigation for the project. The appropriate geotechnical information will be provided to LJA to incorporate in the channel, detention basin, drop structure and bridge design for the project. The design of the bridges will be performed in accordance with Harris County Public Infrastructure Department (HCPID) design guidelines dated February, 2010 and the design of channel, detention basins and drop structures will be performed in accordance with Harris County Design Guidelines and Appendix D of Harris County Flood Control District Policy Criteria, and Procedure Manual, dated December 21, 2010

3. Environmental Assessment Investigation

A Phase I Environmental Site Assessment (ESA) will be completed for all property to be acquired by the City of Tomball. The investigation will identify "recognized environmental conditions" associated with the current or past usage of the property or with off-site sources of environmental contamination. The proposed ESA will be conducted in accordance with the American Society for Testing and Materials (ASTM) Standard Practice E1527-05. On-site surveys will be conduced consistent with the US Army Corps of Engineers (USACE) 1987 Wetlands Delineation Manual and the Regional supplement to the Corps of Engineers Wetland Delineation Manual: Atlantic and Gulf Coastal Plain Region (Version 2.0) to delineate boundaries and record the characteristics of potential waters of the US. A review of threatened and endangered species list provided by the US Fish and Wildlife Service (USFWS) for Harris County (listed species) will be completed. During the field effort for the wetland delineation, the presence/absence of listed species' habitat on the site will be confirmed. A cultural resources constraints analysis will be completed prior to committing to any type of field survey. A preliminary jurisdictional determination form will be submitted to the USACE. This determination may be used as part of a Nationwide Permit for any impacts that can not be avoided during construction. An individual permit is not part of this effort.

4. Subsurface Utility Engineering

For the PER study, the majority of the M121 West channel alignment was completed for Subsurface Utility Engineering (SUE) work. For the final design phase, the section of M121 West south of Holderrieth will be investigated for pipelines. Additionally, the area for the future expansion of the M500-01-00 detention facility also requires a SUE investigation for pipelines. This information will be provided to LJA in Microstation format for inclusion in the design plans.

5. On-Call Engineering Services – Pipeline Relocation Design

Any private utilities requiring relocation due to construction of the M121 West and M121 East channel alignment will be moved prior to construction. LJA will coordinate with utility owner and provide plan and profile sheets for relocation of utilities prior to construction.

6. On-Call Engineering Services – Drainage Review

Several areas may require additional drainage consideration for the M121-00-00 Watershed. Expected drainage improvements south of Theis Road and west of the channel alignment will need to be reviewed by the design engineer prior to the city approving the developer's channel design to discharge to the M121 West channel. Along M121 East, the future improvement of an existing private road to a public road with a 60-ft right-of-way could be evaluated during the final design of the M121 East channel.

7. Construction Phase Services

LJA will provide the following construction phase services:

Provide construction control staking consisting of:

Horizontal Control: The surveyor will set control points along the project centerline approximately every 1000 feet.

Vertical Control: Benchmarks will be set along the project reach with the NAVD 1988 datum with 2001 adjustment.

Review shop, laboratory, and mill tests of material for compliance with design concepts and specifications and promptly report to City any deficiencies noted.

Review and approve contractor pay request.

Make weekly visits, as distinguished from the continuous services of a resident project representative, to observe the progress and quality of the work, and to determine, in general, if the work is proceeding in accordance with the contract documents. After each visit, the Engineer will prepare a written report of his observations of the progress and quality of work performed pursuant to the contract documents. A copy of said reports will be submitted to the City. In performing these services, the Engineer will endeavor to protect the City against defects and deficiencies in the work of the contractors, but the Engineer does not guarantee the performance of their contracts, nor does the Engineer accept responsibility for the Contractor's means, methods, and workers' safety. The Engineer will also conduct inspections to determine the dates of substantial and final completion.

Consult with and advise the City during construction. Engineer will issue all instructions to the Contractor requested by the City and prepare, sign, and issue routine change orders for City's approval.

Participate with the City's representative in a final inspection of the project.

Prepare and deliver to City a set of reproducible record drawings showing those changes made during the construction period based on change orders, marked-up prints, drawings, and other data furnished by the Contractor to the Engineer and which Engineer considers significant.

TERMS

LJA proposes to perform the engineering services as described in the scope of services on a lump sum basis to be billed monthly on a percent complete schedule for the basic services tasks and on a time and materials not too exceed for the additional services tasks.

SCHEDULE

After receiving your Notice to Proceed, LJA will complete the design channel project within 240 days.

BUDGET

LJA proposes to perform the engineering services described in the scope of services for $1,445,800. For your convenience, and information, we have attached our fee estimate so that you can review the composition of this fee.

M121-00-00 FINAL DESIGN

Task Descriptions	Labor (Hours)							
	Total	Project Manager	Project Engineer	Staff Engineer	CAD/ Tech	Clerical Support	Number of Sheets	Hours/ Sheet
BASIC SERVICES								
TASK 1: Coordination, Meeting Attendance and Field Visit								
Coordination including meetings (4 max)	114	16	32	42	16	8		
Progress Meetings (6 max)	96	24	24	24	12	12		
Field Visits (2 visits)	16		8	8				
Monthly Reports/Schedule Update	88	48	16	8		16		
Subtotal	314	88	80	82	28	36		
FEE	$ 40,400	$ 15,664	$ 11,600	$ 8,610	$ 2,324	$ 2,232		
TASK 2: Updated Hydrology and Hydraulics								
Update HEC-RAS Model for M121-00-00 Channel West - South of Holderreith - Ultimate Project	84	4	16	64				
Update HEC-RAS Model for M121-00-00 Channel West - South of Holderreith - Phase 1	60	4	16	40				
Analyze Hampton Place Drainage Improvements	64	8	8	48				
Subtotal	208	16	40	152	0	0		
FEE	$ 24,600	$ 2,848	$ 5,800	$ 15,960	$ -	$ -		
TASK 3: HCFCD Drainage Impact Analysis Report								
Prepare Drainage Impact Analysis Report	288	24	56	160	32	16		
Hardin Street Ditch Evaluation Memo	96	8	32	40	12	4		
Subtotal	384	32	88	200	44	20		
FEE	$ 44,300	$ 5,696	$ 12,760	$ 21,000	$ 3,652	$ 1,240		
TASK 4: Construction Plans & Specifications								
Cover Sheet	12			4	8		1	12
General Notes	12			4	8		1	12
Channel Layout Sheet (2)	44		8	12	24		2	22
Detention Basin Layout Sheet	24			8	16		1	24
Project Control Sheet (2)	52		8	12	32		2	26
Drainage Area Maps (2)	56		8	16	32		2	28
Typical Sections (2)	64		8	24	32		2	32
P&P Sheets for M121-00-00 - Willow Creek to Holderrieth Rd (1"=20' H, 1"=2' V)	184	12	40	60	72		6	31
P&P Sheets for M121-00-00 West (1"=20' H, 1"=2' V)	672	48	96	248	280		22	31
P&P Sheets for M121-00-00 East north of Holderrieth Rd (1"=20' H, 1"=2' V)	336	24	48	124	140		11	31
P&P Sheets for Hardin Street Ditch (1"=20' H, 1"=2' V)	156	12	32	48	64		5	31
P&P Sheets for Hampton Place Improvements (1"=20' H, 1"=2' V)	104	8	24	32	40		3	35
M500-01-00 Detention Basin Grading Plan	30		2	8	20		1	30
M500-01-00 Expansion Detention Basin Grading Plan	42		2	16	24		1	42
Channel Cross-Sections (200' interval)	274	6	30	76	162		19	14
Culvert Details	120		8	32	80		4	30
Removal Sheets	54		2	12	40		2	27
General Bridge Design Services	156	20	48	64	24			
Bridge Design - Holderrieth Road Crossing - M121 West (3 Spans Assumed)	400	16	80	144	160		10	40
Bridge Design - Holderrieth Road Crossing - M121 East (3 Spans Assumed)	400	16	80	144	160		10	40
Bridge Design - Theis Lane Crossing M121W (3 Spans Assumed)	400	16	80	144	160		10	40
Bridge - Miscellaneous Details	40		8	20	12		1	40
Bridge - TxDOT and County Standard Details	10		2	6	2		11	1
Drop Structure Design - M121W (Sta 46+60) 4.50' Wall	50	2	8	16	24		1	50
Drop Structure Design - M121W (Sta 58+55) 3.25' Wall	50	2	8	16	24		1	50
Drop Structure Design - M121W (Sta 64+85) 3.00' Wall	30		4	10	16		1	30
Drop Structure Design - M121E (Sta 42+70) 4.00' Wall	50	2	8	16	24		1	50
Drop Structure Design - M121E (Sta 50+23) 2.00' Wall	30		4	10	16		1	30
Drop Structure Design - M121E (Sta 58+03) 3.00' Wall	30		4	10	16		1	30
Drainage Details	148	4	16	48	80		4	37
SWPPP Sheets (1"=100')	295		20	125	150		10	30
Traffic Control Plan - General	28	4	4	16	4		2	14
Theis - Layouts and Details	176	24	80	48	24		4	44
Holderrieth East Bridge	224	32	120	48	24		5	45
Holderrieth West Bridge	176	24	80	48	24		4	44
Roadway Approach for Bridges	140	8	32	40	60		4	35
Specifications and Bid Documents	92	4	16	44		28		
QA/QC	64	48	16					
Subtotal	5225	332	1034	1753	2078	28		
FEE	$ 567,300	$ 59,096	$ 149,930	$ 184,065	$ 172,474	$ 1,736		
TASK 5: Advertise, Bid and Award								
Prepare Advertisement	14	4		2		8		
Attend Pre-bid Conference	16	8		8				
Attend Bid Opening	8	4	4					
Tabulate Bids	14	2		8		4		
Subtotal	52	18	4	18	0	12		
FEE	$ 6,400	$ 3,204	$ 580	$ 1,890	$ -	$ 744		
TASK 6: Cost Analysis								
Cost Estimate for Construction	64	20	24	16		4		
Subtotal	64	20	24	16	0	4		
FEE	$ 9,000	$ 3,560	$ 3,480	$ 1,680	$ -	$ 248		
BASIC SERVICES TOTAL	$ 692,000							
ADDITIONAL SERVICES								
TASK 1: Field Surveying	$164,700							
TASK 2: Geotechnical Investigation	$149,600							
TASK 3: Environmental Assessment Investigation	$32,300							
TASK 4a: Subsurface Utility Engineering - M121 West (South of Holderreith)	$45,300							
TASK 4b: Subsurface Utility Engineering - M500-01-00 Expansion	$176,400							
TASK 5: On Call Engineering Services - Pipeline Relocation Design	$50,000							
TASK 6: On Call Engineering Services - Drainage Review	$55,000							
TASK 7: Construction Phase Services (15% of Basic Services)	$103,800							
Reimbursable Expenses								
Reproduction	$3,900							
Mileage	$2,800							
ADDITIONAL SERVICES TOTAL	$753,800							
TOTAL FEE	$ 1,445,800							

ATTACHMENT "B"

INSURANCE

ATTACHMENT B

INSURANCE: **LJA** will maintain insurance coverage for Professional, Comprehensive, General, Automobile, Worker's Compensation, and Employer's Liability in amounts shown below. Certificates evidencing such coverage will be provided to Client upon request.

Comprehensive General Liability	$1,000,000 occurrence/aggregate
Automobile Liability	$1,000,000 occurrence/aggregate
Worker's Compensation/Employers Liability	Statutory
Professional Liability	$1,000,000 occurrence/aggregate
Umbrella Liability	$2,000,000 occurrence/aggregate

PROFESSIONAL SERVICES AGREEMENT
FOR
ENGINEERING SERVICES
RELATED TO
ENGINEERING & PLANNING PROJECT NO. 2003-10005
CITY OF TOMBALL
M121W CHANNEL & M500 DETENTION BASIN

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

THIS AGREEMENT made on the _______ day of ________,2016 entered into, and executed by and between the City of Tomball, Texas (the "City"), a municipal corporation of the State of Texas, and Gunda Corporation, LLC ("Engineer").

WITNESSETH:

WHEREAS, the City desires to prepare construction documents for completion of the M121 W channel and M500 detention basin in the City of Tomball (the "Project"); and

WHEREAS, the services of a professional engineering firm are necessary to project planning, project design, and preparation of construction documents, and

WHEREAS, the Engineer represents that it is fully capable and qualified to provide professional services to the City related to professional engineering and professional land surveying;

NOW, THEREFORE, the City and Engineer, in consideration of the mutual covenants and agreements herein contained, do mutually agree as follows:

SECTION I
SCOPE OF AGREEMENT

Engineer agrees to perform certain professional engineering services as defined in Attachment "A" attached hereto and made a part hereof for all purposes, hereinafter sometimes referred to as "Scope of Work," and for having rendered such services, the City agrees to pay Engineer compensation as stated in Section VII.

SECTION II
CHARACTER AND EXTENT OF SERVICES

Engineer shall do all things necessary to render the engineering services and perform the Scope of Work in a professional and workmanlike manner. It is expressly understood and agreed that Engineer is an Independent Contractor in the performance of the services agreed to herein. It is further understood and agreed that Engineer shall not have the authority to obligate or bind the City, or make representations or commitments on behalf of the City or its officers or employees without the express prior approval of the City. The City shall be under no obligation to pay for services rendered not identified in Attachment “A” without prior written authorization from the City.

SECTION III
OWNERSHIP OF WORK PRODUCT

Engineer agrees that the City shall have the right to use all exhibits, maps, reports, analyses and other documents prepared or compiled by Engineer pursuant to this Agreement. The City shall be the absolute and unqualified owner of all studies, exhibits, maps, reports, analyses, determinations, recommendations, computer files, and other documents prepared or acquired pursuant to this Agreement with the same force and effect as if the City had prepared or acquired the same.

SECTION IV
TIME FOR PERFORMANCE

The time for performance of the Scope of Work is an estimated 360 calendar day duration beginning from the execution date of this Agreement. Upon written request of Engineer, the City may grant time extensions to the extent of any delays caused by the City or other agencies with which the work must be coordinated and over which Engineer has no control.

SECTION V
COMPLIANCE AND STANDARDS

Engineer agrees to perform the work hereunder in accordance with generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the applicable profession to comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the work to be performed hereunder and Engineer’s performance.

SECTION VI
INDEMNIFICATION

To the fullest extent permitted by Texas Local Government Code Section 271.904, Engineer shall and does hereby agree to indemnify, hold harmless and defend the City, its officers, agents, and employees against liability for damage caused by or resulting from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer, the Engineer’s agent, consultant under contract, or another entity over which the Engineer exercises control.

SECTION VII
ENGINEER'S COMPENSATION

For and in consideration of the services rendered by Engineer pursuant to this Agreement, the City shall pay Engineer only for the actual work performed under the Scope of Work, on the basis set forth in Attachment "A," up to an amount not to exceed **$ 1,474,723**, including reimbursable expenses as identified in Attachment "A."

SECTION VIII
TERMINATION

The City may terminate this Agreement at any time by giving written notice to Engineer. Upon receipt of such notice, Engineer shall discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders or contracts are chargeable to the Agreement. As soon as practicable after receipt of notice of termination, Engineer shall submit a sworn statement, showing in detail the services performed under this Agreement to the date of termination. The City shall then pay Engineer for such services performed under this Agreement as those services bear to the total services called for under this Agreement, less such payments on account of the charges as have been previously made. Copies of all completed or partially completed designs, maps, studies, documents and other work product prepared under this Agreement shall be delivered to the City when and if this Agreement is terminated.

SECTION IX
ADDRESSES, NOTICES AND COMMUNICATIONS

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to Engineer at the following address:

Gunda Corporation, LLC
32731Egypt Lane, Suite 501
Magnolia, Texas 77354
Attn: Kyle A. Bertrand, P.E., Senior Project Manager

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to the City at the following address:

City of Tomball
501 W. Market Street
Tomball, Texas 77375
Attn: David Esquivel, PE, Director of Public Works

SECTION X
LIMIT OF APPROPRIATION

Prior to the execution of this Agreement, Engineer has been advised by the City and Engineer clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the City shall have available only those sums as expressly provided for under this Agreement to discharge any and all liabilities which may be incurred by the City and that the total compensation that Engineer may become entitled to hereunder and the total sum that the City shall become liable to pay to Engineer hereunder shall not under any conditions, circumstances, or interpretations hereof exceed the amounts as provided for in this Agreement.

SECTION XI
SUCCESSORS AND ASSIGNS

The City and Engineer bind themselves and their successors and assigns to the other party of this Agreement and to the successors and assigns of such other party, in respect to all covenants of this Agreement. Engineer shall not assign, sublet, or transfer its interest in this Agreement without the written consent of the City. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the City or any public body which may be a party hereto.

SECTION XII
MODIFICATIONS

This instrument, including Attachment "A," contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. To the extent there is a conflict between the provisions of this Agreement and the provisions of Attachment "A," this Agreement shall control. Any oral or written representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing signed by both parties hereto.

SECTION XIII
ADDITIONAL SERVICES OF ENGINEER

If authorized in writing by the City, Engineer shall furnish, or obtain from others, Additional Services that may be required because of significant changes in the scope, extent or character of the portions of the Project designed or specified by the Engineer, as defined in Attachment "A." These Additional Services, plus reimbursable expenses, will be paid for by the Owner on the basis set forth in Attachment "A," up to the amount authorized in writing by the City.

SECTION XIV
CONFLICTS OF INTEREST

Pursuant to the requirements of the Chapter 176 of the Texas Local Government Code, Engineer shall fully complete and file with the City Secretary a Conflict of Interest Questionnaire.

SECTION XV
PAYMENT TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Invoices for Basic and Additional Services and reimbursable expenses will be prepared in accordance with Engineer's standard invoicing practices and will be submitted to the City by Engineer at least monthly. Invoices are due and payable thirty (30) days after receipt by the City.

SECTION XVI
INSURANCE

Engineer shall procure and maintain insurance in accordance with the terms and conditions set forth in Attachment "B," for protection from workers' compensation claims, claims for damages because of bodily injury, including personal injury, sickness or disease or death, claims or damages because of injury to or destruction of property including loss of use resulting therefrom, and claims of errors and omissions.

SECTION XVII
MISCELLANEOUS PROVISIONS

A. This Agreement is subject to the provisions of the Texas Prompt Payment Act, Chapter 2250 of the Texas Government Code. The approval or payment of any invoice shall not be considered to be evidence of performance by Engineer or of the receipt of or acceptance by the City of the work covered by such invoice.

B. Venue for any legal actions arising out of this Agreement shall lie exclusively in the federal and state courts of Harris County, Texas.

C. This Agreement is for sole benefit of the City and Engineer, and no provision of this Agreement shall be interpreted to grant or convey to any other person any benefits or rights.

D. Contractor further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

IN WITNESS WHEREOF, the City of Tomball has lawfully caused this Agreement to be executed by the Assistant City Manager of said City and attested by the City Secretary and Gunda Corporation LLC, acting by and through its duly authorized officer/representative, does now sign, execute, and deliver this instrument.

EXECUTED on this ______ day of ______________________, 2016.

ENGINEER:

Gunda Corporation, LLC

By: Rajesh Tanwani
Name: Rajesh Tanwani, PE
Title: Vice President

CITY OF TOMBALL, TEXAS

____
Robert S. Hauck, Assistant City Manager

ATTEST:

____
Doris Speer, City Secretary

ATTACHMENT "A"

SCOPE OF SERVICES
ENGINEERING & PLANNING PROJECT NO. 2003-10005
CITY OF TOMBALL
M121W CHANNEL & M500 DETENTION BASIN

Description of Project

The project proposed by the City of Tomball includes design and construction of the M121W channel and the M500 detention basin. The project limits begin approximately 300 feet north of Theis Lane at the existing M121W channel and continues south to approximately 350 foot south of Holderrieth Road before turning east to the M121E and includes the M500 detention basin. The proposed project was previously imitated by the City of Tomball in an agreement with LJA Engineering as the design consultant and defined as M121 Segment A and Segment A-1, Exhibit attached.

Scope of Services

The scope of services for this project will include professional engineering and land surveying services necessary for the design and preparation of construction documents (Phase II Engineering Services) suitable for public bid for construction of the proposed improvements including potential City of Tomball utility adjustments and/or relocation within the project area. Other supporting tasks included in this scope of services are:

Conduct field survey to obtain as-built and/or new topographic survey of the subject area necessary for final design of the facility and temporary traffic control required during construction of same.

Review and update private utility research in the vicinity of the project and illustrate findings on the construction documents accordingly. Assist the City with utility company coordination for private facilities determined to be in conflict with construction of the proposed improvements and preparation of design plans (16 locations included) for pipeline adjust within the project limits. (SUE Report dated 5/17/12 reports 12 active and 4 unknown activity status)

Review of most current reports, plans, and estimates previously prepared by LJA Engineering, provided by the City, and provide recommendations for any modifications to the City.

Gunda will prepare of a storm water pollution prevention plan required during construction activities.

Gunda will prepare of a storm water quality plan for the facility in accordance with Harris County and/or City of Tomball requirements as applicable.

Gunda will prepare a temporary traffic control plan for construction of the facility in accordance with the latest edition of Manual of Uniform Traffic Control Devices and/or other applicable criteria.

Gunda will prepare an estimate of probable construction costs for facilities designed and/or prepared in this scope of services.

Gunda will assist the City with the bidding and award process to include preparation of advertisements, assistance and/or facilitating a pre-bid bid meeting, response to bidder questions, addenda, bid opening, bid review, and award recommendation. It is assumed that this project will be prepared, bid, and constructed in 3 packages.

Gunda will provide Phase III construction services to include shop drawing reviews, review of contractor request for information (RFI) and recommended response, attendance at construction progress meetings, periodic site visits, attendance of final inspection and punch list preparation, project close-out. Additionally, Gunda will assist City staff with part time inspection and construction management services.

The scope will include the M121 channel hydraulic analysis and associated design for the proposed M121 channel improvements, M500-01 detention basin, culverts at Theis Lane and Holderrieth Road, floodplain volumes and updates to the M121 Watershed Master Drainage Plan. (Sub Proposal Attached)

SWCA Environmental Consultants (SWCA) will provide environmental consulting services to finalize U.S. Army Corps of Engineers (USACE) permitting efforts on City of Tomball's M121 Channel Project previously initiated under LJA Engineer's agreement with the City of Tomball. Based on meetings with the USACE, it is anticipated that the Nationwide Permit (NWP) 43 will be pursued for this project. (SWCA Proposal Attached)

PART B – BASIS OF COMPENSATION AND REIMBURSABLE EXPENSES

ENGINEERING & PLANNING PROJECT NO. 2003-10005
CITY OF TOMBALL
M121W CHANNEL & M500 DETENTION BASIN

The following represents the estimated maximum compensation for the scope of services documented in Attachment A, Part A of this agreement. If services beyond those specifically identified are determined necessary during the project, Engineer shall not proceed with those services until such time written approval of the scope and any additional fees are approved by the City of Tomball.

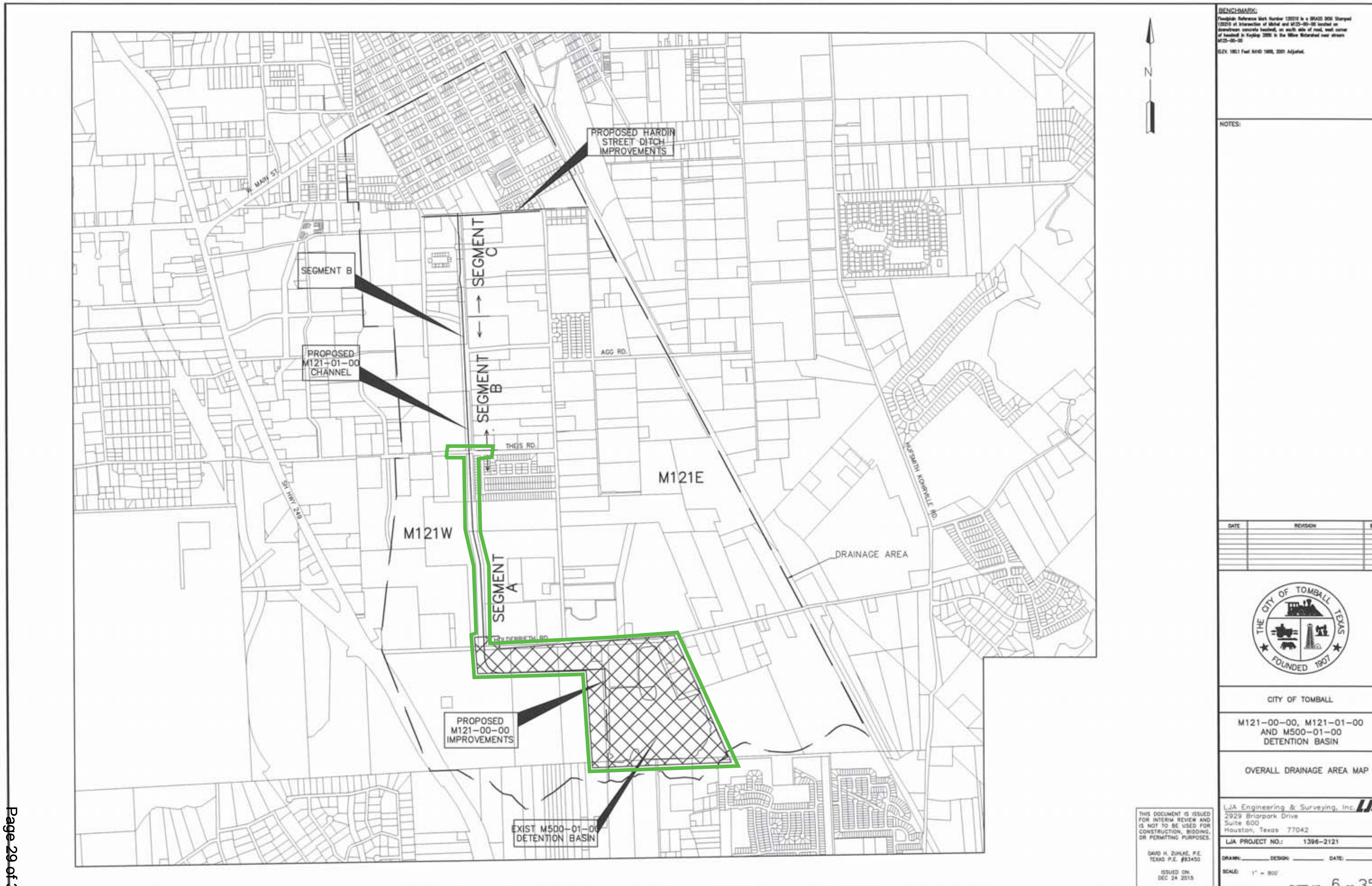
The recommended budget for this scope of services is:

Task	**Base**	**Sub Markup @ 10%**	**Totals**
Phase II & III Engineering Services	$ 476,000	$-	$ 476,000
Hydraulic Analysis & Report Update	$ 52,000	$ 5,200	$ 57,200
Design Survey (Topo & Utilities)	$ 110,000	$11,000	$ 121,000
Geotechnical Engineering ***(See Note 2)***	$ 17,000	$ 1,700	$ 18,700
Environmental (CORPS Permitting)	$ 23,657	$ 2,366	$ 26,023
Pipeline Relocation Design ***(See Note 3)***	$ 448,000	$44,800	$ 492,800
Construction Management & Part Time Inspection	$ 188,000	$-	$ 188,000
Traffic Control Plans for Construction	$ 45,000	$-	$ 45,000
SW3P & Storm Water Quality Plans	$ 25,000	$-	$ 25,000
Reimbursable Expenses	$ 25,000	$-	$ 25,000
Total Recommended Budget	**$1,409,657**	**$65,066**	**$ 1,474,723**

Notes:
1. Reimbursable Expenses shall be invoiced and paid based on cost of service provided plus 10% markup. These services include travel, deliveries, postage, graphical reproduction, etc…
2. Only utilized if geotechnical investigation initiated by HVJ, under LJA agreement is not completed.
3. Pipeline relocation design includes budget for 16 possible locations at $28,000 per location. Number of locations requiring relocation and associated design costs at each will be determined as identified.

ATTACHMENT “B”

INSURANCE


PROPOSED HARDIN STREET DITCH IMPROVEMENTS
W. MAIN ST.
SEGMENT B
SEGMENT C
PROPOSED M121-01-00 CHANNEL
SEGMENT B
AGG RD.
THEIS RD.
M121E
M121W
SH HWY 249
HUFSMITH KOHRVILLE RD.
DRAINAGE AREA
SEGMENT A
HOLDERRIETH RD.
PROPOSED M121-00-00 IMPROVEMENTS
EXIST M500-01-00 DETENTION BASIN
N
BENCHMARK:
ELEV. 180.1 Feet NAVD 1988, 2001 Adjusted.
NOTES:
DATE
REVISION
BY
THE CITY OF TOMBALL TEXAS
FOUNDED 1907
CITY OF TOMBALL
M121-00-00, M121-01-00 AND M500-01-00 DETENTION BASIN
OVERALL DRAINAGE AREA MAP
THIS DOCUMENT IS ISSUED FOR INTERIM REVIEW AND IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, OR PERMITTING PURPOSES.
DAVID H. ZUHLKE, P.E. TEXAS P.E. #83450
ISSUED ON: DEC 24 2015
LJA Engineering & Surveying, Inc.
2929 Briarpark Drive
Suite 600
Houston, Texas 77042
LJA PROJECT NO.: 1396-2121
DRAWN:
DESIGN:
DATE:
SCALE: 1" = 800'
SHEET NO. 6 OF 35
6-OVERALL DRAINAGE AREA MAP

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Houston Office
10245 West Little York Road, Suite 600
Houston, Texas 77040
Tel 281.617.3217 Fax 281.617.3227
www.swca.com

August 26, 2016

Mr. Kyle Bertrand
Gunda Corporation
32731 Egypt Lane, Suite 501
Magnolia, Texas 77354

RE: Environmental Services Proposal – Final USACE Permitting
M121 Channel Project, City of Tomball, Harris County, Texas (SWCA PN 22067.01)

Dear Mr. Bertrand:

Thank you for providing SWCA Environmental Consultants (SWCA) the opportunity to submit this proposal and cost estimate for environmental consulting services to finalize U.S. Army Corps of Engineers (USACE) permitting efforts on City of Tomball's M121 Channel Project. SWCA originally began this project with LJA Engineers (LJA), but understands that Gunda Corporation (Gunda) will now complete the project. SWCA proposes the following scope-of-work:

TASK 1 - USACE SUPPLEMENTAL SUBMITTAL

Unless a construction option is chosen that will not result in deposition of dredged or fill material into a water of the U.S. (WOTUS), this project will require a permit authorization from the USACE under Section 404 of the Clean Water Act. SWCA previously submitted a pre-construction notification (PCN) to Jeff Pinsky at the USACE Galveston District requesting authorization to unavoidably impact WOTUS, including wetlands, under Nationwide Permit (NWP) 43 (Stormwater Management Facilities). Per our meeting with Mr. Pinsky and representatives from the City of Tomball on August 24, 2016, we propose to submit supplemental information to facilitate completion of Mr. Pinsky's permit application review. This supplemental information will include:

- a reassessment and clarification of the project's unavoidable WOTUS impacts, especially to Wetland 12 and 12A;
- a validation of palustrine emergent (PEM) wetland reestablishment anticipated to occur in wetland areas temporarily at the bottom of the new channel; and
- a mitigation plan for unavoidable impacts to non-manmade wetlands (Wetlands 12 and 12A).

SWCA proposes to prepare this supplemental submittal in coordination with your office and City of Tomball staff pending final engineering review and amendment of LJA's original channel design plans.

TASK 2 – FIELD REVIEW

The original wetland delineation conducted by SWCA for LJA is now four years old (May/August 2012). Site conditions may have changed in the project area. Therefore, SWCA recommends a brief one-day reconnaissance of the project area to determine if any site conditions need to be updated for the USACE supplemental submittal. Field work would be conducted prior to submitting the additional information described above to the USACE.

TASK 3 – MEETINGS

SWCA participated in two meetings this week, one with City of Tomball and one with USACE and the City of Tomball, that are included in this scope and cost. SWCA anticipates two additional meetings, one with each party, and has included that cost in this task as well. Any additional meetings would be conducted pending receipt of additional budget authorization from Gunda.

TASK 4 – MONITORING

Per our meeting with Jeff Pinsky, the USACE will likely require a limited monitoring effort to confirm that temporary impacts associated with Wetland 12 and Wetland 12A have reestablished after one growing season post construction. SWCA staff will visit the project area in Wetland 12 and 12A post construction and document the status of the area temporarily impacted. SWCA will prepare a brief letter report of our findings for submittal to the USACE.

ASSUMPTIONS

- SWCA assumes no more than two additional meetings in addition to our meetings this week; one with City of Tomball and one with USACE.
- SWCA assumes the mitigation plan will consist of purchasing credits from Harris County Flood Control District's Greens Bayou Wetlands Mitigation Bank (GBWMB). Should GBWMB prove not to be a viable option, SWCA will submit a change order with additional scope and cost associated with developing another mitigation option.
- SWCA assumes the monitoring effort in Task 4 will be limited to the remainder of Wetland 12 and Wetland 12A post construction and will take no longer than one day in the field.

- SWCA assumes no major changes have occurred in the project area other than those described in our meeting on August 24, 2016. Additional changes in the project area that might necessitate modification of the permit application may require SWCA to submit a change order with additional scope and cost.

COST

SWCA proposes to provide these services on a time and materials basis, with an estimated cost as shown in the table below. This amount will not be exceeded without prior written approval from you. Per our conversation on August 24, 2016, this cost includes a limited amount of work associated with this permitting effort previously completed under the direction of LJA. This work involved coordinating and meeting with LJA and the USACE prior to Gunda taking over the project. SWCA proposes to invoice this previous work through Gunda as part of our efforts to finalize this permit action.

Task	Estimated Cost
1. USACE Supplemental Submittal	$7,719
2. Field Review	$2,950
3. Meetings	$7,014
4. Monitoring	$3,859
Previous Effort with LJA	$2,114
Total	$23,657

SCHEDULE

SWCA is prepared to start work immediately. We propose to submit the information outlined in Task 1 as soon as possible pending receipt of Gunda's engineering revisions and adjustments to WOTUS impacts, especially to Wetland 12 and Wetland 12A. We are prepared to submit the additional information to the USACE by the **between September 30 and October 15** depending upon completion of Gunda's engineering review.

SWCA proposes to charge on a time and materials not to exceed (NTE) basis in accordance with the attached rate schedule. Please execute the attached Services Agreement and return. We will provide a fully executed copy for your records.

SWCA appreciates this opportunity to provide environmental services to Gunda and the City of Tomball. If you have any questions or require any additional information, please contact me at (281) 617-3217 or mstahman@swca.com.

Sincerely,
SWCA Environmental Consultants

Matt Stahman

Matt Stahman
Principal – Houston/Baton Rouge

PeTRICHOR
engineering concepts.

7419 FM 1488 Rd.
Magnolia, TX 77354
713- 885- 4264

September 2, 2016

Mr. Kyle Bertrand, P.E.
Gunda Corporation, LLC.
6161 Savoy, Suite 550
Houston, TX 77036

RE: M121 Channel and Basin Hydraulic Analysis/ Design
Tomball, TX

Mr. Bertrand:

This letter presents the general scope and fee for the requested technical drainage analysis and design for the referenced project. The scope will include the M121 channel hydraulic analysis and associated design for the proposed M121 channel improvements, M500-01 detention basin, culverts at Theiss Lane and Holderrieth Road, and update to the M121 Watershed Master Drainage Plan. Additional services will include coordination with HCFCD and City of Tomball of drainage analysis, modeling, and design.

Specifically, the study will include the following tasks:

1. Review of current M121 Drainage Study
2. Update of watershed delineation and modeling
3. Creation of M121 channel hydraulic and M500-01 detention routing models
4. Production of M121 Master Drainage Study update/ addendum.
5. Update/Optimize channel and culvert sizings/ configurations
6. Review alternatives as requested for final design alignment and configuration.
7. Update of floodplain volume calculations
8. Review and coordination of channel and culvert design with respect to PS&E sheet production
9. Coordination with City of Tomball and Harris County Flood Control District
10. Provide sign and sealed Drainage Area Map, Hydraulic Calculation, and Culvert Layout (if requested) sheets

The proposed fee for these drainage task is $52,000. This is inclusive of $32,000 for hydraulic analysis and update to Master Drainage Report, $14,000 for design/PS&E development and review, and $6,000 for administrative/ agency meetings.

Thank you,

Kurt E. Killian, P.E.
Petrichor Engineering Concepts, Inc.
TBPE # 16725