NOTICE OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, JULY 6, 2020

6:00 P.M.

Notice is hereby given of a meeting of the Tomball City Council, to be held on Monday, July 6, 2020 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

1.1 **IN ACCORDANCE WITH ORDER OF THE OFFICE OF THE GOVERNOR ISSUED MARCH 16, 2020, THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR JULY 6, 2020, 6:00 P.M., AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. IN ORDER TO ADVANCE THE PUBLIC HEALTH GOAL OF LIMITING FACE-TO-FACE MEETINGS (ALSO CALLED "SOCIAL DISTANCING") TO SLOW THE SPREAD OF THE CORONAVIRUS (COVID-19), THERE WILL BE NO IN-PERSON PUBLIC ACCESS TO THE LOCATION DESCRIBED ABOVE. MEMBERS OF THE PUBLIC MAY VIEW AND/OR PARTICIPATE IN THE MEETING BY ELECTRONIC MEANS ONLY. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT https://tomballtx.gov/Archive.aspx?AMID=38; A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.**

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): **+1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799**

US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 940 0612 5325. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

2.0 Invocation

- Led by Pastor Dustin Reitzel – Woodlands Church Northpointe Campus

3.0 Pledges to U.S. and Texas Flags

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

- ***Tomball City Pool – 2020 Swim Season*** - Jerry Matheson Park Pool will operate with normal hours through August 16. The pool will be open on Saturday and Sunday only on the weekends of August 22-23 and August 29-30. The pool will be closed every Monday during swim season 2020, except July 4th, and Labor Day (September 7). Normal pool hours are: Tuesday – Friday: 10 a.m.-6 p.m. and Saturday & Sunday: 12 p.m.-8 p.m.
- ***TOMBALL KID'S CLUB – Activities***: June 23, 25, 30 and July 2, 7, 9, 14, 16, 21, 23, 28, and 30 from 10:30 a.m. to 12:30 p.m., at **Juergens Park**
- July 11, 2020 – **2nd Saturday at the Depot – *Movie Only***, beginning at 8:30 p.m.
- August 7, 2020 – **Tomball Night**, a Greater Tomball Area Chamber of Commerce Event
- Reports by City staff and members of council about items of community interest on which no action will be taken:
  - Randy Parr – Update on the City of Tomball's Radio Station, KTTF, 95.3, and the City's **July Fourth Fireworks Display** and **Musical Presentation**

6.0 Approve the Minutes of the June 15, 2020 Regular Tomball City Council Meeting

7.0 Old Business:

7.1 Adopt, on Second Reading, Ordinance No. 2020-10, 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 1.66 acres out of 2.135 of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District, said property being generally located on the west side of the BNSF Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas; 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.

8.0 New Business:

8.1 Conduct Public Hearing of the City Council of the City of Tomball to to Consider Proposed Assessments against Alexander Estates Section One Properties in the City of Tomball Public Improvement District Number Four, Established by City Council Resolution No. 2019-04

8.2 Adopt, on First Reading, Ordinance No. 2020-13,an Ordinance of the City Council of Tomball, Texas, Approving the Service and Assessment Plan for the City of Tomball Public Improvement District Number Four (Alexander Estates Subdivision)

8.3 Adopt, on First Reading, Ordinance No. 2020-14, an Ordinance of the City Council of Tomball, Texas, Levying an Assessment Against Section One Properties within the City of Tomball Public Improvement District Number Four (Alexander Estates Subdivision); and Making Certain Findings Related Thereto

8.4 Conduct Public Hearing of the City Council of the City of Tomball to Consider Proposed Assessments against Timber Trails Section One Properties in the City of Tomball Public Improvement District Number Eight, Established by City Council Resolution No. 2018-29

8.5 Adopt, on First Reading, Ordinance No. 2020-15, an Ordinance of the City Council of Tomball, Texas, Approving the Service and Assessment Plan for the City of Tomball Public Improvement District Number Eight (Timber Trails Subdivision)

8.6 Adopt, on First Reading, Ordinance No. 2020-16, an Ordinance of the City Council of Tomball, Texas, Levying an Assessment against Section One Properties within the City of Tomball Public Improvement District Number Eight (Timber Trails) and Making Certain Findings Related Thereto

8.7 Adopt, on First Reading, Ordinance No. 2020-12, an Ordinance Altering the *Prima Facie* Speed Limits Established for Vehicles under the Provisions of §545.356, Texas Transportation Code, upon the Basis of an Engineering and Traffic Investigation, upon Certain Streets and Highways, or Parts Thereof, within the Corporate Limits of The City of Tomball, as Set Out in This Ordinance, and Providing a Penalty of a Fine in an Amount Not to Exceed Two Hundred Dollars ($200.00) for the Violation of This Ordinance

8.8 Adopt, on First Reading, Ordinance No. 2020-21, an Ordinance of the City Council of Tomball, Texas, Amending Section 8-124 of Its Code of Ordinances to Remove the Use of the Term "Single-Family Residential Platted Lot" and Removing the Requirement that the One-Acre Requirement be Calculated Without Regard to Improvements Existing on the Property; 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

8.9 Approve Resolution No. 2020-18, a Resolution of the City of Tomball, Texas, Excluding Emergency Responders from the City's COVID-19 Employee Leave Policy

8.10 Authorize City Manager to Execute Contract between the City of Tomball and

Texas Commission on Environmental Quality (TCEQ) for the Award of Texas Volkswagen Environmental Mitigation Program (TxVEMP) Grant, for an Amount of $72,284.00

8.11 Award Purchase of One (1) Peterbilt Dump Truck in the Amount of $128,629.00 to Rush Truck Center, through State Buyboard Cooperative Purchasing Contract

9.0 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 2nd day of July 2020 by 5:00 p.m., and remained posted for at least 72 continuous hours proceeding 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: July 6, 2020

Topic:

- Led by Pastor Dustin Reitzel – Woodlands Church Northpointe Campus

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: July 6, 2020

Topic:

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: July 6, 2020

Topic:

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: July 6, 2020

Topic:

- ***Tomball City Pool – 2020 Swim Season*** - Jerry Matheson Park Pool will operate with normal hours through August 16. The pool will be open on Saturday and Sunday only on the weekends of August 22-23 and August 29-30. The pool will be closed every Monday during swim season 2020, except July 4th, and Labor Day (September 7). Normal pool hours are: Tuesday – Friday: 10 a.m.-6 p.m. and Saturday & Sunday: 12 p.m.-8 p.m.
- ***TOMBALL KID'S CLUB – Activities***: June 23, 25, 30 and July 2, 7, 9, 14, 16, 21, 23, 28, and 30 from 10:30 a.m. to 12:30 p.m., at **Juergens Park**
- July 11, 2020 – **2nd Saturday at the Depot –** ***Movie Only***, beginning at 8:30 p.m.
- August 7, 2020 – **Tomball Night**, a Greater Tomball Area Chamber of Commerce Event
- Reports by City staff and members of council about items of community interest on which no action will be taken:
  - Randy Parr – Update on the City of Tomball's Radio Station, KTTF, 95.3, and the City's **July Fourth Fireworks Display** and **Musical Presentation**

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	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:
Approve the Minutes of the June 15, 2020 Regular Tomball City Council Meeting

Background:

Origination:
City Secretary

Recommendation:
Approve

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 the June 15, 2020 Regular Tomball City Council Meeting

MINUTES OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, JUNE 15, 2020
6:00 P.M.

The City Council of the City of Tomball, Texas, conducted the meeting scheduled for June 15, 2020, 6:00 p.m., at 401 Market Street, Tomball, Texas, 77375, via video/telephone conference (Zoom).

1.0 Mayor Fagan called the meeting to order at 6:00 p.m., having established a quorum. Mayor Fagan read a statement regarding the process for the conduct of the meeting via Zoom and telephone. Members present (in person):

Councilman Stoll
Councilman Degges
Councilman Townsend
Councilman Klein Quinn

Members absent:

Councilman Ford – Excused

Others present:

City Manager – Robert Hauck (in person)
Assistant City Manager – David Esquivel (in person)
City Secretary – Doris Speer (in person)
City Attorney – Loren B. Smith (via video)
Legal Secretary-Olson & Olson – Layla Walker (via video)
Fire Chief – Randy Parr (via video)
Marketing Director – Mike Baxter (via video)
Finance Director – Glenn Windsor (in person)
Director of Public Works – Beth Jones (in person)
Director of Community Development – Craig Meyers (in person)
Fire Marshal – Joe Sykora (via video)
Community Events Coordinator – Denise Fiore (via video)
Assistant City Secretary – Tracy Garcia (in person)
CSO Administrative Assistant – Sasha Luna (in person)
TEDC-Executive Director – Kelly Violette (in person)
Police Officer-Investigations – Cleo Thomas (in person)

2.0 The invocation was led by Pastor Greg Sipe – Church 1:37

3.0 Pledges to U. S. and Texas Flags were led by Joe Sykora.

4.0 No public comments were received.

5.0 Reports and Announcements:

- ***Tomball City Pool – 2020 Swim Season*** - Jerry Matheson Park Pool will operate with normal hours through August 16. The pool will be open on Saturday and Sunday only on the weekends of August 22-23 and August 29-30. The pool will be closed every Monday during swim season 2020, except July 4th, and Labor Day (September 7). Normal pool hours are: Tuesday – Friday: 10 a.m.-6 p.m. and Saturday & Sunday: 12 p.m.-8 p.m.
- ***TOMBALL KID'S CLUB – Activities***: June 23, 25, 30 and July 2, 7, 9, 14, 16, 21, 23, 28, and 30 from 10:30 a.m. to 12:30 p.m., at **Juergens Park**
- June 27, 2020 – ***Beat the Heat*** at the Depot – a Swim Safe Forever Northwest Houston Chapter Event
- July 4, 2020 – **July Fourth Fireworks Display** – **FM 2920 at SH 249, 9:30 p.m.; Musical Presentation on FM 95.3** beginning at 8:30 p.m.
- July 11, 2020 – **2nd Saturday at the Depot –** ***Movie Only***, beginning at 8:30 p.m.
- August 7, 2020 – **Tomball Night**, a Greater Tomball Area Chamber of Commerce Event
- Reports by City staff and members of council about items of community interest on which no action will be taken:

6.0 Motion was made by Councilman Klein Quinn, second by Councilman Townsend, to approve the Minutes of the June 1, 2020 Regular Tomball City Council Meeting

Motion carried unanimously.

7.0 New Business:

7.1 Mayor Fagan opened the Public Hearing of the City Council of the City of Tomball to Receive Input from Members of the Public on the Proposal to Reauthorize Its Tax Abatement Guidelines and Criteria at 6:10 p.m.

Receiving no public comments, Mayor Fagan closed the Public Hearing at 6:10 p.m.

7.2 Motion was made by Councilman Townsend, second by Councilman Klein Quinn, to approve Request by The Tomball Rotary Club for City Support and In-Kind Services for the Big Show at the Depot & 51st Anniversary Fish Fry at the Tomball Depot, to be Held on Saturday, November 7, 2020, from 4:00 p.m. to 9:00 p.m.

Motion carried unanimously.

7.3 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve Resolution No. 2020-17, a Resolution of the City Council of the City of Tomball, Texas, Approving the First Amendment to the Development Agreement relating to the Raburn Reserve Public Improvement District Project

Motion carried unanimously.

7.4 Chesmar Homes presented a Bonded Public Improvement District Proposal (TPID 11 – Wood Leaf Reserve).

No action required.

7.5 City Council received the Tomball Economic Development Corporation (TEDC) 2019-2020 Annual Report, as presented by Kelly Violette.

7.6 Motion was made by Councilman Stoll, second by Councilman Townsend, to reappoint Richard Bruce, Bill Sumner, Jr., Will Benson, and Clete Jaeger to their respective positions as members of the Tomball Economic Development Corporation Board of Directors for terms to expire on May 31, 2022.

Motion carried unanimously.

7.7 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve, as a Project of the Tomball Economic Development Corporation, an Agreement with Houston Poly Bag I, Ltd., to Make Direct Incentives to or Expenditures for the Creation or Retention of Primary Jobs associated with the Expansion and Development of Its Current Facility located at 11726 Holderrieth Rd., Tomball, Texas 77375. The Estimated Amount of Expenditures for such Project is an Amount Not to Exceed $84,894.00.

Motion carried unanimously.

7.8 Consideration was WITHDRAWN, at the request of Kelly Violette, for a proposed Project of the Tomball Economic Development Corporation, an Agreement with Wildcat PPE, LLC, to Make Direct Incentives to or Expenditures for the Creation or Retention of Primary Jobs associated with the Relocation and Development of Its Corporate Headquarters to be located at 14430 Medical Complex Drive, Tomball, Texas 77377. The Estimated Amount of Expenditures for such Project is an Amount Not to Exceed $250,000.00.

No action required.

7.9 Consideration and Possible Action to Approve **Zoning Case P20-079:** Request by the City of Tomball to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 1.66 acres out of 2.135 acres of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District. The property is generally located on the west side of the Burlington Northern Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas.

- Mayor Fagan opened the Public Hearing of the City Council of the City of Tomball to consider **Zoning Case P20-079** at 7:09 p.m.

  Receiving no public comments, Mayor Fagan closed the Public Hearing at 7:09 p.m.

- Motion was made by Councilman Townsend, second by Councilman Degges, to read Ordinance No. 2020-10 by caption only on First Reading.

  Motion carried unanimously.

- Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt,, on First Reading, Ordinance No. 2020-10, 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 1.66 Acres out of 2.135 Acres of Land Legally Described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District, said Property being generally located on the West Side of the BNSF Railroad and the East Side of the Elm Street Right-of-Way, within the City of Tomball, Harris County, Texas; 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 Ford	Absent
Councilman Stoll	Aye
Councilman Degges	Aye
Councilman Townsend	Aye
Councilman Klein Quinn	Aye

Motion carried unanimously.

7.10 Motion was made by Councilman Stoll, second by Councilman Degges, to award Contract for E&P Project 2019-10040 to PM Construction & Rehab, LLC., in the Amount of $400,605.00, for the Sanitary Sewer Rehabilitation Project.

Motion carried unanimously.

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

Motion carried unanimously.

Meeting adjourned at 7:16 p.m.

PASSED AND APPROVED this the __6th__ day of __July__ 2020.

____
Doris Speer, TRMC, MMC
City Secretary

____
Gretchen Fagan
Mayor

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Adopt, on Second Reading, Ordinance No. 2020-10, 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 1.66 acres out of 2.135 of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District, said property being generally located on the west side of the BNSF Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas; 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.

Background:

On Monday June 8, 2020, after conducting a Public Hearing, the Planning & Zoning Commission recommended approval of the rezoning request with a 5-0 vote.

Origination:

City of Tomball

Recommendation:

Approval

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

Craig T. Meyers, Community Development Director

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-10
Staff Report
Notice of Public Hearing
Property Owner Notification

ORDINANCE NO. 2020-10

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 1.66 ACRES OUT OF 2.135 ACRES OF LAND LEGALLY DESCRIBED AS LOT 1 BLOCK 1 CITY OF TOMBALL RAILROAD MUSEUM, FROM THE SINGLE-FAMILY 6 DISTRICT TO THE OLD TOWN & MIXED USE DISTRICT, SAID PROPERTY BEING GENERALLY LOCATED ON THE WEST SIDE OF THE BNSF RAILROAD AND THE EAST SIDE OF THE ELM STREET RIGHT-OF-WAY, WITHIN THE CITY OF TOMBALL, HARRIS COUNTY, TEXAS; 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.

* * * * * * * * * *

Whereas, the City of Tomball has requested that approximately 1.66 acres out of 2.135 acres of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, generally located on the west side of the BNSF Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas, (the "Property"), be rezoned; and

Whereas, at least fifteen (15) days after publication in the official newspaper of the City of the time and place of a public hearing and at least ten (10) days after written notice of that hearing was mailed to the owners of land within two hundred feet of the Property in the manner required by law, the Planning & Zoning Commission held a public hearing on the requested rezoning; and

Whereas, the public hearing was held before the Planning & Zoning Commission at least forty (40) calendar days after the City's receipt of the requested rezoning; and

Whereas, the Planning & Zoning Commission recommended in its final report that City Council approve the requested rezoning of Old Town & Mixed Use District; and

Whereas, at least fifteen (15) days after publication in the official newspaper of the City of the time and place of a public hearing for the requested rezoning, the City Council held the public hearing for the requested rezoning and the City Council considered the final report of the Planning & Zoning Commission; and

Whereas, the City Council deems it appropriate to grant the requested rezoning.

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

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

Section 2. The zoning classification of the Property is hereby changed from the Single-Family 6 to the Old Town & Mixed Use District subject to the regulations, restrictions, and conditions hereafter set forth.

Section 3. The Official Zoning Map of the City of Tomball, Texas shall be revised and amended to show the designation of the Property as Old Town & Mixed Use District, with the appropriate reference thereon to the number and effective date of this Ordinance and a brief description of the nature of the change.

Section 4. This Ordinance shall in no manner amend, change, supplement, or revise any provision of any ordinance of the City of Tomball, save and except the change in zoning classification for the Property to the Old Town & Mixed Use District as described above.

Section 5. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance 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 Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 6. Any person who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 15TH DAY OF JUNE 2020.

COUNCILMAN FORD	ABSENT
COUNCILMAN STOLL	AYE
COUNCILMAN DEGGES	AYE
COUNCILMAN TOWNSEND	AYE
COUNCILMAN QUINN	AYE

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Rezoning Staff Report

Planning & Zoning Commission Public Hearing Date: June 8, 2020
City Council Public Hearing Date: June 15, 2020

Rezoning Case:	P20-079
Property Owner(s):	City of Tomball
Applicant(s):	City of Tomball
Legal Description:	Lot 1 Block 1 City of Tomball Railroad Museum
Location:	West side of the BNSF Railroad and the east side of the Elm Street right-of-way (Exhibit “A”)
Area:	1.66 acres out of 2.135 acres
Comp Plan Designation:	Old Town (Exhibit “B”)
Present Zoning and Use:	Single-Family 6 and Old Town & Mixed Use District (Exhibit “C”) / Undeveloped (Exhibit “D”)
Proposed Use(s):	Texas Railroading Heritage Museum
Request:	Rezone a portion of the property from the Single-Family 6 District to the Old Town & Mixed Use District

Adjacent Zoning & Land Uses:

North: Old Town & Mixed Use District / Tomball Depot Park

South: Single-Family 6 District / Single-family residences

West: Single-Family 6 District / Single-family residences

East: Light Industrial District / BNSF Railroad

BACKGROUND

City Staff began discussions with the Texas Railroading Heritage Museum in 2016 regarding the development of a museum adjacent to the Tomball Depot.

ANALYSIS

The property is currently split zoned. The northern portion of the property from Fannin Street to Tyler Street is zoned Old Town & Mixed Use District, while the remaining property south of Tyler Street to McPhail Street is zoned Single-Family 6 District. Surrounding properties are zoned Single-Family 6 District, Old Town & Mixed Use District and Light Industrial District.

Surrounding land uses in the area are single-family residences, the Tomball Depot, and the BNSF Railroad. The proposed museum will create an addition to the Tomball Depot park and will be well screened from adjacent residential property owners.

According to Section 50-79, the purpose of the Old Town & Mixed Use District is “to provide a zoning mechanism for a variety of uses in the original town site and those areas that have a diverse mixture of uses. The nature of the area, therefore, is a mixture of retail, commercial and other nonresidential uses, along with single-family homes and multiple-family uses.”

The property, and most surrounding properties, are designated as Old Town by the Comprehensive Plan’s Future Land Use Map. This category consists of downtown and surrounding neighborhoods. According to the Comprehensive Plan, “old town is intended to be highly walkable and promotes a distinct sense of place”. Appropriate land use types “should consist of a mix of residential, office, retail, entertainment, restaurants, and public facilities. Secondary uses include bed and breakfast lodging, live-work buildings, places of assembly or event venues and home professions”. The proposed rezoning, and proposed land use, is appropriate with the Future Land Use designation.

PUBLIC COMMENT

Property owners within 200 feet of the project site were mailed notification of this proposal on May 22, 2020. A Notice of Public Hearing was published in the paper on May 27, 2020. Any public comment forms will be provided in the Planning & Zoning Commission and City Council packets or during the public hearing.

RECOMMENDATION

Based on the findings outlined in the analysis section of this staff report, City staff recommends approval of Zoning Case P20-079.

EXHIBITS

A. Aerial Photo
B. Comprehensive Plan
C. Zoning Map
D. Site Photos

Exhibit "A"
Aerial Photo

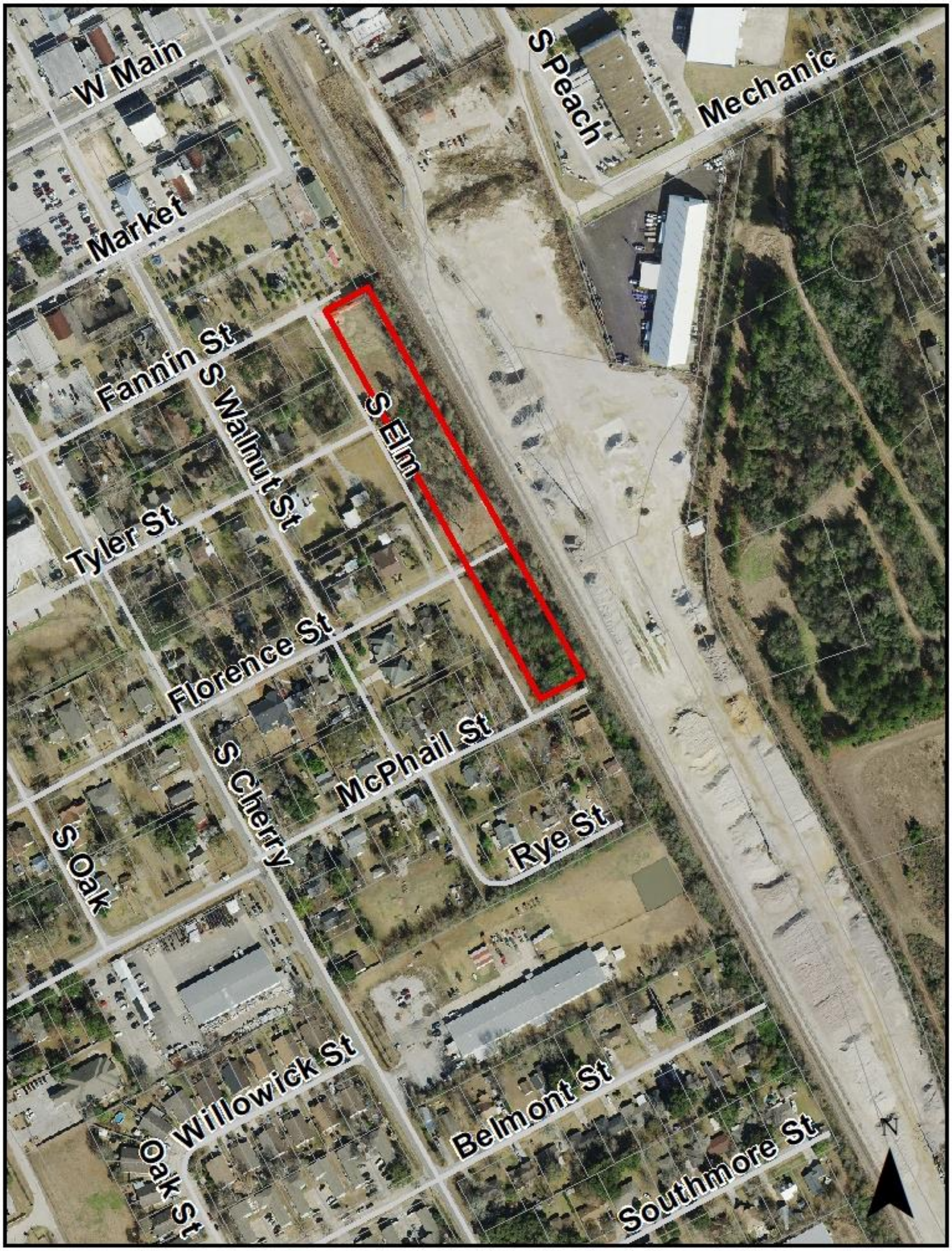


Exhibit "B"
Comprehensive Plan

Exhibit "C"
Zoning Map

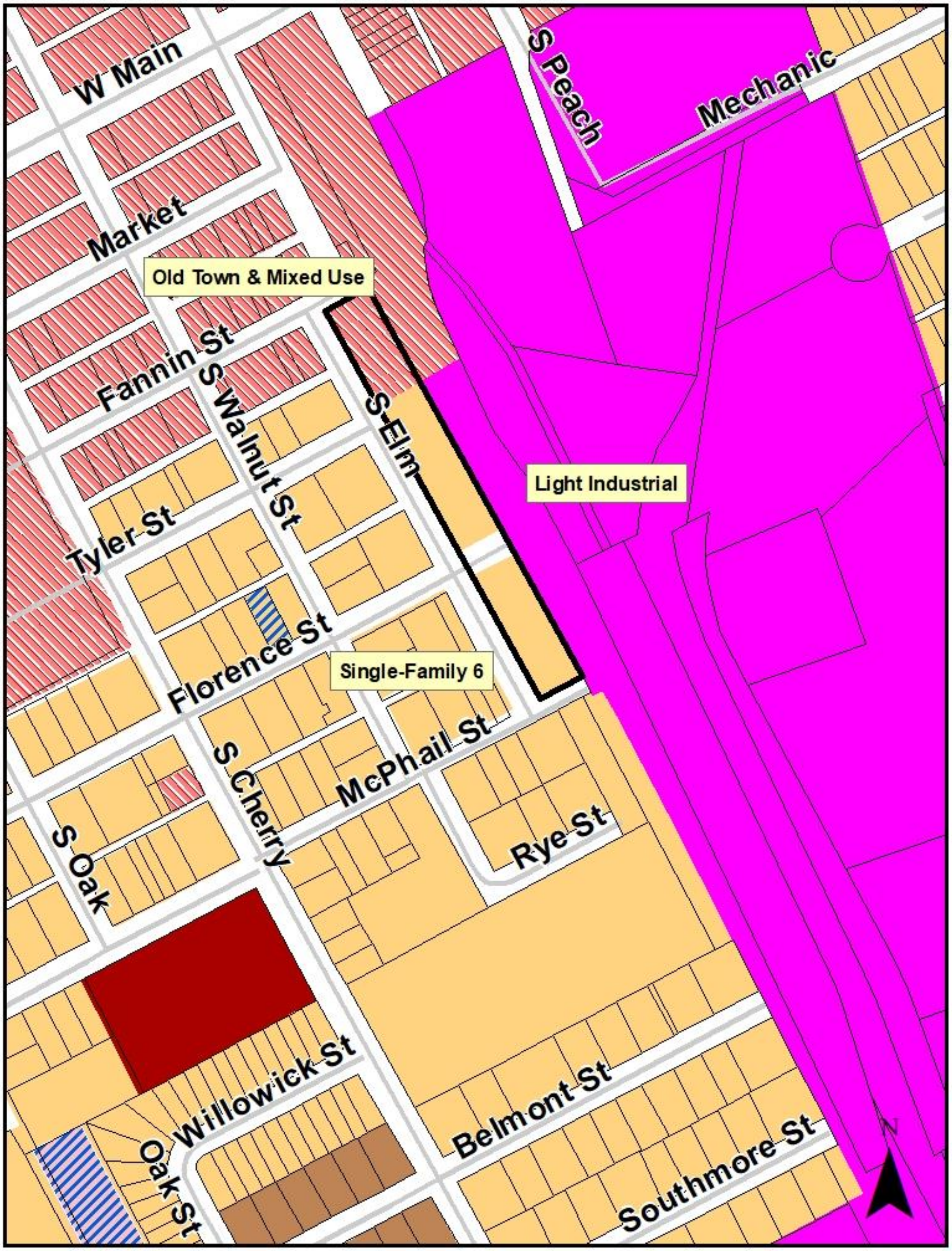


Exhibit "D"
Site Photos

End of McPhail Street

End of Florence Street

End of Tyler Street

End of Fannin Street

NOTICE OF PUBLIC HEARING
CITY OF TOMBALL
PLANNING & ZONING COMMISSION (P&Z)
JUNE 8, 2020
&
CITY COUNCIL
JUNE 15, 2020

Notice is Hereby Given that a Public Hearing will be held by the P&Z of the City of Tomball on **Monday, June 8, 2020, at 6:00 P.M.,** and by the City Council of the City of Tomball on **Monday, June 15, 2020, at 6:00 P.M.** at City Hall, 401 Market Street, Tomball Texas. On such dates, the P&Z and City Council will consider the following:

Zoning Case P20-079: Request by the City of Tomball to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 1.66 acres out of 2.135 acres of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District. The property is generally located on the west side of the Burlington Northern Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas.

At the public hearings, parties of interest and citizens will have the opportunity to be heard. All citizens of the City of Tomball, and any other interested parties, are invited to attend. Applications are available for public inspection Monday through Friday, except holidays, at the Public Works Building, located at 501 James Street, Tomball, TX 77375. Further information may be obtained by contacting the City Planner, Amelia Lindley, at (281) 290-1410 or at alindley@tomballtx.gov.

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 **4th** day of **June 2020** by 5:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Amelia Lindley
Amelia Lindley
City Planner

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.tomballtx.gov.

Notice of Public Hearing

YOU ARE INVITED TO ATTEND the Public Hearing before the **PLANNING & ZONING COMMISSION** and **CITY COUNCIL** of the City of Tomball regarding the following item:

CASE NUMBER: P20-079

APPLICANT/OWNER: The City of Tomball

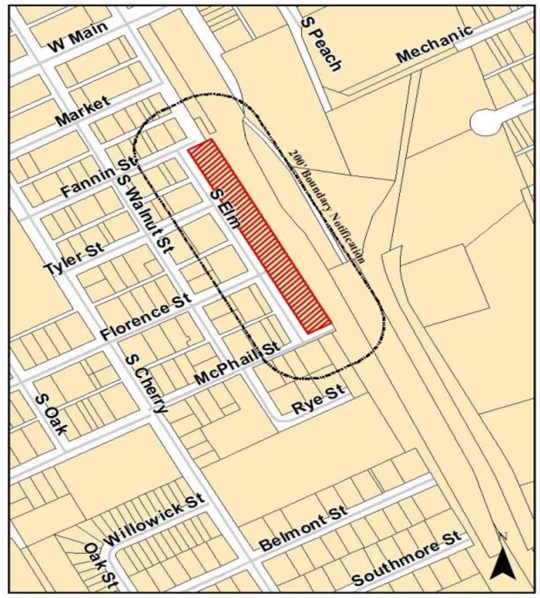
LOCATION: Generally located on the west side of the Burlington Northern Railroad and the east side of the Elm Street right-of-way, within the City of Tomball, Harris County, Texas.

PROPOSAL: A Re-Zoning to amend Chapter 50 (Zoning) of the Tomball Code of Ordinances by rezoning approximately 1.66 acres out of 2.135 acres of land legally described as Lot 1 Block 1 City of Tomball Railroad Museum, from the Single-Family 6 District to the Old Town & Mixed Use District.

CONTACT: Amelia Lindley, City Planner
PHONE: (281) 290-1410
E-MAIL: alindley@tomballtx.gov

Interested parties may contact the City of Tomball between 8:00 a.m. and 5:00 p.m. Monday through Friday for further information. The application is available for public review Monday through Friday, except holidays, between the hours of 8:00 a.m. and 5:00 p.m. in the Community Development Department office, located at 501 James Street, Tomball, TX 77375. The staff report will be available no later than 4:00 p.m. on the Friday preceding the meeting.

This notice is being mailed to all owners of real property within 200 feet of the request as such ownership appears on the last approved Harris County Appraisal District tax roll.



Planning & Zoning Commission Public Hearing:
Monday, June 8, 2020 6:00 PM

City Council Public Hearing:
***Monday, June 15, 2020 6:00 PM**

The Public Hearings will be held in the City Council Chambers, City Hall 401 Market Street, Tomball, Texas

*Should the Planning & Zoning Commission vote to table the recommendation on the case, the date and time of a future meeting will be specified and the City Council will not review the subject case until such a recommendation is forwarded to the City Council by the Planning & Zoning Commission.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Conduct Public Hearing of the City Council of the City of Tomball to to Consider Proposed Assessments against Alexander Estates Section One Properties in the City of Tomball Public Improvement District Number Four, Established by City Council Resolution No. 2019-04

Background:

Origination:

Scott Bean, Hawes Hill Calderon, LLP

Recommendation:

N/A

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

Doris Speer, City Secretary

ACTION TAKEN

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

ATTACHMENTS:

Public Hearing Notice - TPID 4 Section One Properties - Alexander Estates

NOTICE OF PUBLIC HEARING
CITY OF TOMBALL, TEXAS

MONDAY, JULY 6, 2020

6:00 P.M.

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF TOMBALL TO CONSIDER PROPOSED ASSESSMENTS AGAINST ALEXANDER ESTATES SECTION ONE PROPERTIES IN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER FOUR, ESTABLISHED BY CITY COUNCIL RESOLUTION NO. 2019-04.

In accordance with Chapter 372 Local Government Code, the Assessment Roll for Alexander Estates Section One properties in the City of Tomball Public Improvement District Number Four has been prepared and is on file and open for public inspection in the office of the City Secretary. A public hearing on the assessment will be held by the City Council as follows:

DATE & TIME: Monday, July 6, 2020, 6:00 p.m.
PLACE: City Council Chambers, 401 Market Street, Tomball, Texas 77375
COST OF IMPROVEMENTS: $6,964,615.30

GENERAL NATURE OF THE IMPROVEMENTS: The public improvements include the construction of water lines, sanitary sewers, storm sewers and drainage, gas lines, street paving, detention facilities, open space and amenities, erosion control, as well as engineering, contingency provisions, financing, and administrative costs.

BOUNDARIES: The boundaries are described in the Alexander Estates Replat, a Subdivision of 70.3610 Acres of Land Being a Part of the Elizabeth Smith Survey, A-70, Harris County, Texas. Also Being a Partial Replat For the Reason to Create 164 Lots and 16 Reserves, Tomball Greens Unrestricted Reserve "C" as recorded in F.C. No. 440128, H.C.M.R..

Written and oral objections will be considered at the hearing. All interested persons are hereby notified of the described hearing, and of their right to appear and be heard on the matter.

CERTIFICATION

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 15th day of June by 5:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meetings.

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: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-13,an Ordinance of the City Council of Tomball, Texas, Approving the Service and Assessment Plan for the City of Tomball Public Improvement District Number Four (Alexander Estates Subdivision)

Background:

Public infrastructure improvements are nearly complete for Section One of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes in the 50-fot lot category to be constructed will be $315,000. The annual assessment payment $2,425.85 is the equivalent of a $0.77 tax rate on a $315,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

Payment	Principal	Interest	Payment	Payments collected	Principal Balance
					$26,052.50
1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
3	$1,368.84	$1,057.01	$2,425.85		$22,120.29
4	$1,430.43	$995.41	$2,425.85		$20,689.85
5	$1,494.80	$931.04	$2,425.85		$19,195.05
6	$1,562.07	$863.78	$2,425.85		$17,632.98
7	$1,632.36	$793.48	$2,425.85		$16,000.61
8	$1,705.82	$720.03	$2,425.85		$14,294.79
9	$1,782.58	$643.27	$2,425.85		$12,512.21
10	$1,862.80	$563.05	$2,425.85		$10,649.41
11	$1,946.62	$479.22	$2,425.85		$8,702.79
12	$2,034.22	$391.63	$2,425.85		$6,668.57
13	$2,125.76	$300.09	$2,425.85		$4,542.81
14	$2,221.42	$204.43	$2,425.85		$2,321.39
15	$2,321.39	$104.46	$2,425.85		$0.00
TOTAL	$26,052.50	$10,335.21	$36,387.71		

Origination:
Scott Bean, Hawes Hill Calderon, LLP

Recommendation:
Adopt Ordinance No. 2020-13, approving the Service and Assessment Plan and Assessment Roll for Public Improvement District Number Four, on First Reading.

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

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-13
TPID 4 - Council Information Sheet
The Basics - PID Primer

ORDINANCE NO. 2020-13

AN ORDINANCE OF THE CITY COUNCIL OF TOMBALL, TEXAS, APPROVING THE SERVICE AND ASSESSMENT PLAN FOR THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER FOUR

* * * * * * * * * *

WHEREAS, the City of Tomball (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein; and

WHEREAS, the City has received a petition (the "Petition") requesting the creation of the City of Tomball Public Improvement District Number Four (the "PID"), held a public hearing, and created the PID in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City passed and adopted Resolution No. Resolution 2019-04 establishing the City of Tomball Public Improvement District Number Four; and

WHEREAS, the City Council wishes to adopt the Service and Assessment Plan with respect to the PID; NOW **THEREFORE,**

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

Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The Service and Assessment Plan attached to this Ordinance as Exhibit A is hereby approved and adopted on behalf of the PID, and the Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

Section 3. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6th DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

EXHIBIT A
Service and assessment Plan
Public Improvement District Number Four
City of Tomball, Texas

1. **Introduction**

   This Service and Assessment Plan is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code ("the Act"), and pursuant to Resolution 2019-04 creating the Public Improvement District Number Four ("PID"), City of Tomball, Texas. The creation of the PID was initiated by a petition submitted by property owners within the PID boundaries in compliance with the requirements of the Section 372.005 of the Act.

2. **Boundaries**

   The boundaries of the PID are as indicated in Attachment A.

3. **Administration of the District**

   Administration of the District is the responsibility of the City Council of the City of Tomball, Texas, but to the extent allowed by law, the City may contract with a private sector company to carry out all or part of the City responsibilities as well as the operations and administration of the District.

4. **Public Improvements**

   The public improvements to be financed and constructed serve to promote the construction of single family units. The public improvements will confer a special benefit to properties within the PID and will consist of water, sanitary sewer, storm drainage, detention, gas, streets, erosion control, contingency provisions, engineering, financing costs, and administration and legal services for the PID. The public improvements will be pre-funded by the developer of the subdivision within the PID under the Development Agreement ("Agreement") executed between the developer and the City.

   A. Alexander Estates

   Alexander Estates contains 70.36 acres of land and will contain 251 lots within the PID. The public improvements authorized under this Plan for Alexander Estates and the estimated costs thereof, are described below:

PUBLIC IMPROVEMENT	ESTIMATED COSTS
Water, sewer, storm sewer, streets, detention, gas, off-site utility extensions, amenities, engineering, design fees, landscaping, PID creation	$7,081,171
Financing Costs (15 years @ 4.5%)	$2,809,020
Total Improvements	$9,890,191
Administration (4.6%)	$456,657
Total Costs (15 years)	$10,346,848

5. Construction of Public Improvements

The Plan will be reviewed annually in accordance with the provisions of Chapter 372 of the Local Government Code and will include a review of the expenditures and revenues of the District. Additionally, the Plan will be reviewed for the purposes of establishing the installments for assessment based upon the costs for public improvements for the financial needs of the District.

6. Conveyance of Improvements to the City

Upon completion of the improvements, and final inspection and acceptance of the public improvements by the City, the developer will convey all rights to the improvements to the city or homeowner's association as applicable, subject to the developers rights of reimbursement described in the Development Agreement executed between the developer and the City.

7. Authorized Improvements

The area within the PID that is covered by the Service and Assessment Plan will be developed as single family residential. This Plan designates the public improvements required for the growth and development of the land within the PID. The goal of this Plan is to provide sufficient certainty for the owners of land within the PID to proceed with the financing and construction of the necessary public improvements, while allowing flexibility to meet the needs of the PID over the life of the development of residential properties within the PID.

The construction of the public improvements authorized herein began in calendar year 2019. The actual costs of the public improvements will be determined by an independent accountant report of the developer's costs.

8. Advance Financing by the Developer

The developer will advance the funds for construction of the public improvements and will be entitled to repayment pursuant the Development Agreement executed between the City and the developer.

9. Apportionment of Costs

Payment of assessments, if any, on property owned by exempt jurisdictions other than the City shall be established by contract.

10. Levy of Assessments

The total assessment for each property shall be an equal apportionment of the total costs divided by the total number of lots. Assessments can be paid by each property in advance or at any time thereafter. Financed assessments paid annually shall be concurrent with the city's tax year and will bear interest at 4.5% for up to 15 years. The principal amount of the assessment is payable at any time by property owners.

The assessments are on a per lot basis with two lot categories. The cost of the public improvements will consist of the costs subject to construct water, sanitary sewer, storm sewer, streets, detention, amenities, landscaping, gas, engineering and design fees, PID creation costs and administration and financing payable to the developer pursuant to the Development Agreement.

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

11. Levy and Collection

Notice of levy of each assessment will be given as provided in Chapter 372 of the Local Government Code. The assessment levy statement will be sent to each property owner in the District, and the payment will be due and payable at the same time property taxes are due and payable to the City.

The first installment of an assessment against a particular property shall be due with respect to the calendar year following the date such property has been improved with a habitable structure as evidenced by the issuance of a certificate of occupancy. The City will invoice each property owner for the installment payment in conjunction with the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment has been pain in full. The owner of assessed property may pay at any time the entire easement then due on each property through the date of final payment. Failure of an owner to receive an invoice shall not relieve the owner of the responsibility for the assessment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, privileged above all other liens, include prior mortgage liens, to the extent allowed by Section 372 of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the city's property taxes. Delinquent assessments or installments shall incur the costs of collection. If practicable, the assessment shall be included on the City property tax statement. Notwithstanding the above, the assessment shall be perfected immediately as to the entire assessment, but may be executed only with respect to the amounts then due or past due for current or prior installments or final payment. Assessments are personal obligations of the person owning the property assessed in the year an installment payment becomes due, and only to the extent of such installment(s).

The owner of the assessed property may pay at any time the entire assessment then due on each property.

EXHIBIT A

EXHIBIT "A"

Alexander Estates
70.3604 Acres

Elizabeth Smith Survey
Abstract Number 70

STATE OF TEXAS §

COUNTY OF HARRIS §

A **METES AND BOUNDS** description of a 70.3604 acre tract of land situated in the Elizabeth Smith Survey, Abstract Number 70, Harris County, Texas; being a portion of Unrestricted Reserve "C" of Tomball Greens Final Plat as shown on a plat filed for record under Film Code Number 440128 of the Harris County Map Records, being the remainder of a called 78.4754 acre tract conveyed to BCDE, LTD. by Special Warranty Deed With Vendor's Lien dated December 30, 2002 and filed for record under Clerk's File No. W332593 of the Harris County Official Public Records of Real Property and being all of a called 4.882 acres conveyed to Eibsen & Associates, Inc. by Warranty Deed dated March 31, 2014 and filed for record under Clerk's File No. 20140133968 of the Harris County Official Public Records of Real Property; said 70.3604 acres being more particularly described as follows with all bearings based on a call of South 59°56'55" West along the southeast line of said Unrestricted Reserve "C":

BEGINNING at a found 5/8-inch iron rod in the northeast right-of-way of Huffsmith-Kohrville Road (called 60-feet wide), for the south corner of Country Club Greens Partial Replat as shown on a plat filed for record under Film Code No. 519229 if the Harris County Map Records and the northwest corner of said Unrestricted Reserve "C" and the herein described tract;

THENCE, North 45°27'56" East, 399.99 feet, departing said northeast right-of-way of Huffsmith-Kohrville Road, along the southeast line of said Country Club Greens Partial Replat, the northwest line of said Unrestricted Reserve "C" to a set 3/4-inch iron rod (with cap stamped "Cotton Surveying");

THENCE, North 49°06'40" East, 1333.88 feet, continuing along the southeast line of said Country Club Greens Partial Replat, the southeast line of Country Club Greens Partial Replat – Phase Two as shown on a plat filed for record under Film Code No. 540231 of the Harris County Map Records, the southeast line of Final Plat Country Club Greens as shown on a plat filed for record under Film Code No. 453082 of the Harris County Map Records, the northwest line of said Unrestricted Reserve "C" and said 78.4754 acres to a point for the north corner of said Unrestricted Reserve "C", the west corner of Lot 25, Block 3 of said Country Club Greens Partial Replat – Phase Two, same being the north corner of the herein described tract, from which a found 5/8-inch iron rod (with cap stamped "Terra Surveying") bears North 86°46'38" East 0.32 feet;

THENCE, South 40°44'59" East, 1111.89 feet along a northeast line of said 78.4754 acres, said Unrestricted Reserve "C", a southwest line of said Country Club Greens Partial Replat – Phase Two, and a southwest line of said Final Plat Country Club Greens as shown on a plat filed for record under Film Code No. 453082 of the Harris County Map Records to a point in the north line of a called 13.00 acre tract conveyed to J.D. Slaughter by Warranty Deed dated January 28, 2011 and filed for record under Clerk's File No. 20110042996 of the Harris County Official Public Records of Real Property for an interior corner of said Unrestricted Reserve "C" and the south corner of said Country Club Greens Partial Replat – Phase Two, same being the most northerly east corner of the herein described tract, from which a found 5/8-inch iron rod bears South 62°31'41" East, 0.24 feet;

THENCE, South 45°07'42" West, 813.03 feet along the northeast line of said 13.00 acres to a set 3/4-inch iron rod (with cap stamped "Cotton Surveying") for the west corner of said 13.00 acres, same being an interior corner of the herein described tract;

Alexander Estates
70.3604 Acres

Elizabeth Smith Survey
Abstract Number 70

THENCE, South 44°36'57' East, 646.34 feet along the southwest line of said 13.00 acres to a point in the northwest right-of-way of Spell Road (called 60-feet wide) and the southeast line of said Unrestricted Reserve "C", for the south corner of said 13.00 acres and the most southerly east corner of the herein described tract, from which a found 3/4-inch iron rod bears North 09°17'51" East, 0.24 feet;

THENCE, South 37°14'37" West, 452.09 feet along the northwest right-of-way of said Spell Road and the southeast line of said Unrestricted Reserve "C" to a found 5/8-inch iron rod, beginning a non-tangent curve to the right;

THENCE, in a southwest direction, continuing along the northwest right-of-way of said Spell Road and the southeast line of said Unrestricted Reserve "C" and said 4.822 acres, with the arc of said non-tangent curve to the right, passing a found 5/8-inch iron rod (with cap stamped "J.G.T. 1494") at an arc length of 183.48 feet for the east corner of said 4.822 acres, having a radius of 579.03 feet, a central angle of 37°34'11", an arc length of 379.68 feet, and a chord bearing South 56°12'14" West, 372.91 feet to a found 5/8-inch iron rod (with cap stamped "J.G.T. 1494");

THENCE, South 75°09'52" West, continuing along the northwest right-of-way of said Spell Road, the southeast line of said 4.822 acres and said Unrestricted Reserve "C", passing a found 5/8-inch iron rod (with cap stamped "J.G.T. 1494") at a distance of 228.98 feet, continuing for a total distance of 463.49 feet to a found 3/4-inch iron (with cap stamped "Cotton Surveying") for the southwest corner of said 4.882 acres and the most southerly southwest corner of the herein described tract;

THENCE, North 17°58'51" West, 350.00 feet, departing the northwest right-of-way of said Spell Road and the southeast line of said 4.822 acres to a found 3/4-inch iron (with cap stamped "Cotton Surveying") for the northwest corner of said 4.822 acres and an interior corner of the herein described tract;

THENCE, South 75°09'52" West, along the northwest line of the remainder of a called 8.000 acres conveyed to Ruth A. Hughes-Deaton by Warranty Deed with Vendor's Lien dated August 31, 2006 and filed for record under Clerk's File No. 20060029232 of the Harris County Official Public Records of Real Property, passing a found 5/8-inch iron rod (with cap stamped "King 4503") at a distance of 4.83 feet, continuing for a total distance of 388.70 feet to a found 5/8-inch iron rod (with cap stamped "King 4503") in the northeast right-of-way of said Huffsmith-Kohrville Road and the southwest line of said Unrestricted Reserve "C", for the northwest corner of said 8.000 acres and the most westerly southwest corner of said 78.4754 acres and the herein described tract;

THENCE, North 17°59'55" West, 1235.43 feet along northeast right-of-way of said Huffsmith-Kohrville Road, the southwest line of said Unrestricted Reserve "C" to the **POINT OF BEGINNING, CONTAINING** 70.3604 acres of land in Harris County, Texas

Cotton Surveying Company
8701 New Trails Drive, Suite 200
The Woodlands, TX 77381-4241
(281) 363-4039

Acting By/Through Ronald L. Hauck
Registered Professional Land Surveyor
No. 5343
rhauck@jonescarter.com
Texas Board of Professional Land Surveying
Registration No. 10046106

STATE OF TEXAS
REGISTERED
RONALD L. HAUCK
5343
PROFESSIONAL
LAND SURVEYOR

June 24, 2014

002426.4824-9705-9356.v2

<u>Council Item Information Sheet</u> – Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Four (Alexander Estates Subdivision)

<u>Action Requested</u>
Approval of the Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Four.

<u>Information</u>
Public infrastructure improvements are nearly complete for Section One of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes in the 50-fot lot category to be constructed will be $315,000. The annual assessment payment $2,425.85 is the equivalent of a $0.77 tax rate on a $315,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

Payment	Principal	Interest	Payment	Payments collected	Principal Balance
					$\boxed{\underline{\textit{\$26,052.50}}}$
1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
3	$1,368.84	$1,057.01	$2,425.85		$22,120.29
4	$1,430.43	$995.41	$2,425.85		$20,689.85
5	$1,494.80	$931.04	$2,425.85		$19,195.05
6	$1,562.07	$863.78	$2,425.85		$17,632.98
7	$1,632.36	$793.48	$2,425.85		$16,000.61
8	$1,705.82	$720.03	$2,425.85		$14,294.79
9	$1,782.58	$643.27	$2,425.85		$12,512.21
10	$1,862.80	$563.05	$2,425.85		$10,649.41
11	$1,946.62	$479.22	$2,425.85		$8,702.79
12	$2,034.22	$391.63	$2,425.85		$6,668.57
13	$2,125.76	$300.09	$2,425.85		$4,542.81
14	$2,221.42	$204.43	$2,425.85		$2,321.39
15	$2,321.39	$104.46	$2,425.85		$0.00
TOTAL	$26,052.50	$10,335.21	$36,387.71		

Public Improvement District (PID) Primer

What is a PID?

A Public Improvement District (PID) is a public financing tool created under Chapter 372 of the Texas Local Government Code (TLGC). A PID allows a neighborhood or commercial area to apportion the cost of improvements and levy an assessment against property located in the PID, because that property is acquiring a special benefit because of the improvements. In other words, the property that will benefit the most from the improvement pays for the improvement--the burden is not shifted to the entire community. PIDs are intended to promote economic growth by providing the funding mechanism to construct necessary infrastructure or desired amenities that support new developments and encourage redevelopment.

PIDs are a component unit of the City and are governed by the City Council. The Council can create an advisory board for the PID if necessary, but final determinations on establishment, costs, assessments, and budgets must be made by the City Council.

What can a PID finance?

The PID can be designed to help finance the cost of a variety of development costs including:

- water, wastewater, health and sanitation, or drainage improvements;
- street and sidewalk improvements;
- mass transit improvements;
- parking improvements;
- library improvements;
- park, recreation and cultural;
- art installation;
- creation of pedestrian malls; or
- supplemental services. (advertising, extra public safety, etc.)

How does the PID finance the projects?

Project costs can be paid directly by the City or the developer can advance funds. The assessment fees levied on each property fund the project payments. Until the PID has accumulated adequate assessment fee revenue, the City can choose to issue bonds or use general tax revenues for initial payments or developer reimbursements.

Separate fund(s) are created by the City for the administration of the PID. The Council reviews and approves the assessments and district budget each year.

How is a PID created and dissolved?

PID Development Process (minimum steps required by Chapter 372, TLGC):
1. City, County, or affected property owner(s) initiates a petition for creation.
2. If needed, City Council appoints an advisory board to develop the PID improvement plan.
3. City Council holds a public hearing & passes a resolution on the need for the PID.
4. City Council authorizes the establishment of a PID by resolution.
5. Construction of improvements may begin 20-days after the PID's creation.
6. City Council adopts a Service and Assessment Plan (list of projects, costs, debt, & assessment fee) for at least five, ongoing years is developed.
7. City holds a public hearing on the assessment roll (lists each PID property's fee).
8. City Council adopts ordinance to levy the special assessment. (City will also create a special fund(s) for the PID).
9. If necessary, City Council holds public hearing and approves additional assessments to correct omissions or mistakes in the improvement costs.
10. If necessary, City Council holds public hearing & passes a resolution dissolving PID; however, the district remains in effect at least to meet its debt obligations.

Does the City have any additional requirements?
Yes. City of Tomball Administrative Policy No. 18 "Development Policy for Special Financing Districts" requires:

1. Residential Development Size--greater than 125 acres unless the average home value is greater than $225, 000.
2. Annual Individual Assessment Limit—no more than the equivalent of a $.50 tax rate on the assessed value of the property.
3. Assessment Term Limit—Not to exceed 10 years. First assessment due 3 years after levy or upon transfer of property from developer to home buyer whichever occurs first.
4. Developer Interest Limit—If bonds are sold, developer earned interest reimbursements will not exceed the net effective interest rate on bonds sold or 8% whichever is less. If bonds are not sold, reimbursement will be calculated according to an indexed-based formula (see Admin Policy 18) or 8% whichever is less.
5. Bidding Requirements—Developers must follow municipal bidding procedures (as outline in Chap 252 TLGC). All bids and awards of contracts must be approved by City Council.
6. District Administration—The City of Tomball will contract with an outside consultant to bill, collect, and track district assessments. This cost will be included in the Service & Assessment Plan and reimbursed from the district.

Other city policies, procedures, and good practices may also effect individual district creation or administration including approval of related contracts and agreements. For example, the City will usually need to enter into a Developer Agreement to detail the responsibilities & obligations of each party related to the Service and Assessment Plan.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-14, an Ordinance of the City Council of Tomball, Texas, Levying an Assessment Against Section One Properties within the City of Tomball Public Improvement District Number Four (Alexander Estates Subdivision); and Making Certain Findings Related Thereto

Background:

Public infrastructure improvements are nearly complete for Section One of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes in the 50-fot lot category to be constructed will be $315,000. The annual assessment payment $2,425.85 is the equivalent of a $0.77 tax rate on a $315,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

	Payment	Principal	Interest	Payment	Payments collected	Principal Balance
						$26,052.50
	1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
	2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
	3	$1,368.84	$1,057.01	$2,425.85		$22,120.29
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	5	$1,494.80	$931.04	$2,425.85		$19,195.05
	6	$1,562.07	$863.78	$2,425.85		$17,632.98
	7	$1,632.36	$793.48	$2,425.85		$16,000.61
	8	$1,705.82	$720.03	$2,425.85		$14,294.79
	9	$1,782.58	$643.27	$2,425.85		$12,512.21
	10	$1,862.80	$563.05	$2,425.85		$10,649.41
	11	$1,946.62	$479.22	$2,425.85		$8,702.79
	12	$2,034.22	$391.63	$2,425.85		$6,668.57
	13	$2,125.76	$300.09	$2,425.85		$4,542.81
	14	$2,221.42	$204.43	$2,425.85		$2,321.39
	15	$2,321.39	$104.46	$2,425.85		$0.00
TOTAL		$26,052.50	$10,335.21	$36,387.71		

Origination:

Scott Bean, Hawes Hill Calderon, LLP

Recommendation:

Adopt Ordinance No. 2020-14 on First Reading

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

Doris Speer, City Secretary

ACTION TAKEN

Approval	Readings Passed	Other

☐ **Yes** ☐ **No**	☐ **1st** ☐ **2nd**	

ATTACHMENTS:

Ordinance No. 2020-14
TPID 4 - Council Information Sheet
The Basics - PID Primer

<u>ORDINANCE NO. 2020-14</u>

AN ORDINANCE OF THE CITY COUNCIL OF TOMBALL, TEXAS, LEVYING AN ASSESSMENT AGAINST SECTION ONE PROPERTIES WITHIN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER FOUR (ALEXANDER ESTATES SUBDIVISION); AND MAKING CERTAIN FINDINGS RELATED THERETO.

* * * * * * * * * *

WHEREAS, the City of Tomball (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein, and to levy and collect an assessment in furtherance of the purposes thereof; and

WHEREAS, the City has created City of Tomball Public Improvement District Number Four (the "PID"), adopted a Service and Assessment Plan (the "Plan") for the PID, all in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City Council filed a proposed assessment roll with the City secretary which roll was available for public inspection, and following notice thereof by mail and publication as required by Chapter 372, the City Council held a public hearing at which written or oral objections to the proposed assessments were considered and passed on by the City Council; and

WHEREAS, the City Council has determined that the levy of a special assessment for and on behalf of the PID is necessary and advisable, and that the proposed assessment roll apportions the cost of the subject improvements in the PID on the basis of special benefits accruing to the property because of the improvement, **NOW THEREFORE,**

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

<u>Section 1</u>. The facts recited in the preamble hereto are found to be true and correct.

<u>Section 2</u>. The assessment roll attached hereto is hereby approved and the special assessments described therein are hereby levied on the subject property in accordance with the terms of the Plan, which Plan determines, *inter alia*, the method of payment of the assessments, and makes provision for the payment thereof in periodic installments, interest thereon and the collection thereof. The Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

<u>Section 3</u>. There is hereby created a first and prior lien securing payment of the assessment levied, effective as of the date of this Ordinance as provided in the Plan and Chapter 372.

<u>Section 4</u>. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6th DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Public Improvement District Number Four
Alexander Estates Section One Assessment Roll
City of Tomball, Texas

Owner	Lot	Block	Lot Size	principal	annual payment	term	annual admin fee	total annual payment
Triple LE, LLC	1	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	2	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	3	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	4	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	5	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	6	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	7	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	8	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	9	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	10	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	11	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	12	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	13	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	14	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	15	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	16	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	17	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	18	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	19	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	20	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	21	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	22	1	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	1	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	2	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	3	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	4	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	5	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	6	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	7	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	8	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	9	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
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Triple LE, LLC	15	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	16	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	17	2	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	18	2	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
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Triple LE, LLC	25	2	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	26	2	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	1	3	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	2	3	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	3	3	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
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Triple LE, LLC	2	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	3	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	4	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
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Triple LE, LLC	10	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	11	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	12	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	13	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	14	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	15	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	16	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	17	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	18	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	19	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	20	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	21	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	22	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	23	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	24	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	25	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	26	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	27	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	28	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	29	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	30	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	31	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	32	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	33	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	34	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	35	4	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	1	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	2	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	3	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	4	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	5	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	6	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	7	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	8	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	9	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	10	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	11	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	12	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	13	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	14	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	15	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	16	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	17	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	18	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	19	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	20	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	21	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	22	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	23	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	24	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	25	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	26	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	27	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	28	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	29	5	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	30	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	31	5	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	1	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	2	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	3	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	4	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	5	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	6	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	7	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	8	6	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14

Triple LE, LLC	9	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	10	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	11	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	12	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	13	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	14	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	15	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	16	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	17	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	18	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	19	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	20	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31
Triple LE, LLC	21	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31
Triple LE, LLC	22	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31
Triple LE, LLC	23	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31
Triple LE, LLC	24	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31
Triple LE, LLC	25	6	60'	$	31,263.00	$	2,911.02	15 years	$	121.29	$	3,032.31

Council Item Information Sheet – Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Four (Alexander Estates Subdivision)

Action Requested

Approval of the Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Four.

Information

Public infrastructure improvements are nearly complete for Section One of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes in the 50-fot lot category to be constructed will be $315,000. The annual assessment payment $2,425.85 is the equivalent of a $0.77 tax rate on a $315,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

	Payment	Principal	Interest	Payment	Payments collected	Principal Balance
						$26,052.50
	1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
	2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
	3	$1,368.84	$1,057.01	$2,425.85		$22,120.29
	4	$1,430.43	$995.41	$2,425.85		$20,689.85
	5	$1,494.80	$931.04	$2,425.85		$19,195.05
	6	$1,562.07	$863.78	$2,425.85		$17,632.98
	7	$1,632.36	$793.48	$2,425.85		$16,000.61
	8	$1,705.82	$720.03	$2,425.85		$14,294.79
	9	$1,782.58	$643.27	$2,425.85		$12,512.21
	10	$1,862.80	$563.05	$2,425.85		$10,649.41
	11	$1,946.62	$479.22	$2,425.85		$8,702.79
	12	$2,034.22	$391.63	$2,425.85		$6,668.57
	13	$2,125.76	$300.09	$2,425.85		$4,542.81
	14	$2,221.42	$204.43	$2,425.85		$2,321.39
	15	$2,321.39	$104.46	$2,425.85		$0.00
TOTAL		$26,052.50	$10,335.21	$36,387.71		

Public Improvement District (PID) Primer

What is a PID?

A Public Improvement District (PID) is a public financing tool created under Chapter 372 of the Texas Local Government Code (TLGC). A PID allows a neighborhood or commercial area to apportion the cost of improvements and levy an assessment against property located in the PID, because that property is acquiring a special benefit because of the improvements. In other words, the property that will benefit the most from the improvement pays for the improvement--the burden is not shifted to the entire community. PIDs are intended to promote economic growth by providing the funding mechanism to construct necessary infrastructure or desired amenities that support new developments and encourage redevelopment.

PIDs are a component unit of the City and are governed by the City Council. The Council can create an advisory board for the PID if necessary, but final determinations on establishment, costs, assessments, and budgets must be made by the City Council.

What can a PID finance?

The PID can be designed to help finance the cost of a variety of development costs including:

- water, wastewater, health and sanitation, or drainage improvements;
- street and sidewalk improvements;
- mass transit improvements;
- parking improvements;
- library improvements;
- park, recreation and cultural;
- art installation;
- creation of pedestrian malls; or
- supplemental services. (advertising, extra public safety, etc.)

How does the PID finance the projects?

Project costs can be paid directly by the City or the developer can advance funds. The assessment fees levied on each property fund the project payments. Until the PID has accumulated adequate assessment fee revenue, the City can choose to issue bonds or use general tax revenues for initial payments or developer reimbursements.

Separate fund(s) are created by the City for the administration of the PID. The Council reviews and approves the assessments and district budget each year.

How is a PID created and dissolved?

PID Development Process (minimum steps required by Chapter 372, TLGC):
1. City, County, or affected property owner(s) initiates a petition for creation.
2. If needed, City Council appoints an advisory board to develop the PID improvement plan.
3. City Council holds a public hearing & passes a resolution on the need for the PID.
4. City Council authorizes the establishment of a PID by resolution.
5. Construction of improvements may begin 20-days after the PID's creation.
6. City Council adopts a Service and Assessment Plan (list of projects, costs, debt, & assessment fee) for at least five, ongoing years is developed.
7. City holds a public hearing on the assessment roll (lists each PID property's fee).
8. City Council adopts ordinance to levy the special assessment. (City will also create a special fund(s) for the PID).
9. If necessary, City Council holds public hearing and approves additional assessments to correct omissions or mistakes in the improvement costs.
10. If necessary, City Council holds public hearing & passes a resolution dissolving PID; however, the district remains in effect at least to meet its debt obligations.

Does the City have any additional requirements?
Yes. City of Tomball Administrative Policy No. 18 "Development Policy for Special Financing Districts" requires:

1. Residential Development Size--greater than 125 acres unless the average home value is greater than $225, 000.
2. Annual Individual Assessment Limit—no more than the equivalent of a $.50 tax rate on the assessed value of the property.
3. Assessment Term Limit—Not to exceed 10 years. First assessment due 3 years after levy or upon transfer of property from developer to home buyer whichever occurs first.
4. Developer Interest Limit—If bonds are sold, developer earned interest reimbursements will not exceed the net effective interest rate on bonds sold or 8% whichever is less. If bonds are not sold, reimbursement will be calculated according to an indexed-based formula (see Admin Policy 18) or 8% whichever is less.
5. Bidding Requirements—Developers must follow municipal bidding procedures (as outline in Chap 252 TLGC). All bids and awards of contracts must be approved by City Council.
6. District Administration—The City of Tomball will contract with an outside consultant to bill, collect, and track district assessments. This cost will be included in the Service & Assessment Plan and reimbursed from the district.

Other city policies, procedures, and good practices may also effect individual district creation or administration including approval of related contracts and agreements. For example, the City will usually need to enter into a Developer Agreement to detail the responsibilities & obligations of each party related to the Service and Assessment Plan.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:
Conduct Public Hearing of the City Council of the City of Tomball to Consider Proposed Assessments against Timber Trails Section One Properties in the City of Tomball Public Improvement District Number Eight, Established by City Council Resolution No. 2018-29

Background:

Origination:
Scott Bean, Hawes Hill Calderon, LLP

Recommendation:
N/A

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

ACTION TAKEN

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

ATTACHMENTS:

Public Hearing Notice - TPID 8 Section One Properties Timber Trails

NOTICE OF PUBLIC HEARING
CITY OF TOMBALL, TEXAS

MONDAY, JULY 6, 2020

6:00 P.M.

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF TOMBALL TO CONSIDER PROPOSED ASSESSMENTS AGAINST TIMBER TRAILS SECTION ONE PROPERTIES IN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER EIGHT, ESTABLISHED BY CITY COUNCIL RESOLUTION NO. 2018-29.

In accordance with Chapter 372 Local Government Code, the Assessment Roll for Timber Trails Section One properties in the City of Tomball Public Improvement District Number Eight has been prepared and is on file and open for public inspection in the office of the City Secretary. A public hearing on the assessment will be held by the City Council as follows:

DATE & TIME: Monday, July 6, 2020, 6:00 p.m.
PLACE: City Council Chambers, 401 Market Street, Tomball, Texas 77375
COST OF IMPROVEMENTS: $3,433,290.00

GENERAL NATURE OF THE IMPROVEMENTS: The public improvements include the construction of water lines, sanitary sewers, storm sewers and drainage, gas lines, street paving, detention facilities, open space and amenities, erosion control, as well as engineering, contingency provisions, financing, and administrative costs.

BOUNDARIES: The boundaries are described in the final plat of Timber Trails, a Subdivision of 23.6321 AC./1,029,412.50 SQ.FT. Situated in the Ralph Hubbard Survey Abstract No. 383, City of Tomball, Harris County, Texas.

Written and oral objections will be considered at the hearing. All interested persons are hereby notified of the described hearing, and of their right to appear and be heard on the matter.

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 15th day of June by 5:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meetings.

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: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-15, an Ordinance of the City Council of Tomball, Texas, Approving the Service and Assessment Plan for the City of Tomball Public Improvement District Number Eight (Timber Trails Subdivision)

Background:

Public infrastructure improvements are nearly complete for Section One of Timber Trails Subdivision within Public Improvement District Number Eight created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 2.75% annual interest) as follows:

40-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 21,810.70	$1,794.13	15 years	$ 103.80	$ 1,897.93

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 27,263.37	$2,242.66	15 years	$ 103.80	$ 2,346.46

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 40-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes to be constructed will be $260,000. The annual assessment payment $1,897.93 is the equivalent of a $0.72 tax rate on a $260,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

AMORTIZATION SCHEDULE BY LOT

Duration (in years)	15
Interest Rate	2.75%
Annual Payment Amount	$1,794.13
Total Lifetime Payments	$26,911.95
Total Principal	$21,810.70
Total Interest	$5,101.25

	Payment	Principal	Interest	Payment	Principal Balance
					$21,810.70
	1	$1,194.34	$599.79	$1,794.13	$20,616.36
	2	$1,227.18	$566.95	$1,794.13	$19,389.18
	3	$1,260.93	$533.20	$1,794.13	$18,128.26
	4	$1,295.60	$498.53	$1,794.13	$16,832.65
	5	$1,331.23	$462.90	$1,794.13	$15,501.42
	6	$1,367.84	$426.29	$1,794.13	$14,133.58
	7	$1,405.46	$388.67	$1,794.13	$12,728.12
	8	$1,444.11	$350.02	$1,794.13	$11,284.02
	9	$1,483.82	$310.31	$1,794.13	$9,800.20
	10	$1,524.62	$269.51	$1,794.13	$8,275.57
	11	$1,566.55	$227.58	$1,794.13	$6,709.02
	12	$1,609.63	$184.50	$1,794.13	$5,099.39
	13	$1,653.90	$140.23	$1,794.13	$3,445.49
	14	$1,699.38	$94.75	$1,794.13	$1,746.11
	15	$1,746.11	$48.02	$1,794.13	$0.00
TOTAL		**$21,810.70**	**$5,101.25**	**$26,911.95**	

Origination:

Scott Bean, Hawes Hill Calderon, LLP

Recommendation:
Adopt Ordinance No. 2020-15, approving the Service and Assessment Plan and Assessment Roll for Public Improvement District Number Eight, on First Reading.

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

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-15
TPID 8 - Council Information Sheet
The Basics - PID Primer

<u>ORDINANCE NO. 2020-15</u>

AN ORDINANCE OF THE CITY COUNCIL OF TOMBALL, TEXAS, APPROVING THE SERVICE AND ASSESSMENT PLAN FOR THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER EIGHT

* * * * * * * * * *

WHEREAS, the City of Tomball (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein; and

WHEREAS, the City has received a petition (the "Petition") requesting the creation of the City of Tomball Public Improvement District Number Eight (the "PID"), held a public hearing, and created the PID in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City passed and adopted Resolution No. Resolution 2018-29 establishing the City of Tomball Public Improvement District Number Eight; and

WHEREAS, the City Council wishes to adopt the Service and Assessment Plan with respect to the PID; NOW **THEREFORE,**

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

<u>Section 1</u>. The facts recited in the preamble hereto are found to be true and correct.

<u>Section 2</u>. The Service and Assessment Plan attached to this Ordinance as Exhibit A is hereby approved and adopted on behalf of the PID, and the Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

<u>Section 3</u>. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6th DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

EXHIBIT A
Service and assessment Plan
Public Improvement District Number Eight
City of Tomball, Texas

1. **Introduction**

   This Service and Assessment Plan is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code ("the Act"), and pursuant to Resolution 2018-29 creating the Public Improvement District Number Eight ("PID"), City of Tomball, Texas. The creation of the PID was initiated by a petition submitted by property owners within the PID boundaries in compliance with the requirements of the Section 372.005 of the Act.

2. **Boundaries**

   The boundaries of the PID are as indicated in Attachment A.

3. **Administration of the District**

   Administration of the District is the responsibility of the City Council of the City of Tomball, Texas, but to the extent allowed by law, the City may contract with a private sector company to carry out all or part of the City responsibilities as well as the operations and administration of the District.

4. **Public Improvements**

   The public improvements to be financed and constructed serve to promote the construction of single family units. The public improvements will confer a special benefit to properties within the PID and will consist of water, sanitary sewer, storm drainage, detention, gas, streets, erosion control, contingency provisions, engineering, financing costs, and administration and legal services for the PID. The public improvements will be pre-funded by the developer of the subdivision within the PID under the Development Agreement ("Agreement") executed between the developer and the City.

   A. Timber Trails

   Timber Trails contains 23.6 acres of land and will contain 104 lots within the PID. The public improvements authorized under this Plan for Timber Trails and the estimated costs thereof, are described below:

PUBLIC IMPROVEMENT	ESTIMATED COSTS
Water, sewer, storm sewer, streets, detention, gas, off-site utility extensions, amenities, engineering, design fees, landscaping, PID creation	$2,650,000
Financing Costs (15 years @ 2.75%)	$619,799
Total Improvements	$3,269,799
Administration (5%)	$163,490
Total Costs (15 years)	$3,433,290

5. Construction of Public Improvements

The Plan will be reviewed annually in accordance with the provisions of Chapter 372 of the Local Government Code and will include a review of the expenditures and revenues of the District. Additionally, the Plan will be reviewed for the purposes of establishing the installments for assessment based upon the costs for public improvements for the financial needs of the District.

6. Conveyance of Improvements to the City

Upon completion of the improvements, and final inspection and acceptance of the public improvements by the City, the developer will convey all rights to the improvements to the city or homeowner's association as applicable, subject to the developers rights of reimbursement described in the Development Agreement executed between the developer and the City.

7. Authorized Improvements

The area within the PID that is covered by the Service and Assessment Plan will be developed as single family residential. This Plan designates the public improvements required for the growth and development of the land within the PID. The goal of this Plan is to provide sufficient certainty for the owners of land within the PID to proceed with the financing and construction of the necessary public improvements, while allowing flexibility to meet the needs of the PID over the life of the development of residential properties within the PID.

The construction of the public improvements authorized herein began in calendar year 2019. The actual costs of the public improvements will be determined by an independent accountant report of the developer's costs.

8. **Advance Financing by the Developer**

The developer will advance the funds for construction of the public improvements and will be entitled to repayment pursuant the Development Agreement executed between the City and the developer.

9. **Apportionment of Costs**

Payment of assessments, if any, on property owned by exempt jurisdictions other than the City shall be established by contract.

10. **Levy of Assessments**

The total assessment for each property shall be an equal apportionment of the total costs divided by the total number of lots. Assessments can be paid by each property in advance or at any time thereafter. Financed assessments paid annually shall be concurrent with the city's tax year and will bear interest at 2.75% for up to 15 years. The principal amount of the assessment is payable at any time by property owners.

The assessments are on a per lot basis with two lot categories. The cost of the public improvements will consist of the costs subject to construct water, sanitary sewer, storm sewer, streets, detention, amenities, landscaping, gas, engineering and design fees, PID creation costs and administration and financing payable to the developer pursuant to the Development Agreement.

40-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 21,810.70	$1,794.13	15 years	$ 103.80	$ 1,897.93

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 27,263.37	$2,242.66	15 years	$ 103.80	$ 2,346.46

11. Levy and Collection

Notice of levy of each assessment will be given as provided in Chapter 372 of the Local Government Code. The assessment levy statement will be sent to each property owner in the District, and the payment will be due and payable at the same time property taxes are due and payable to the City.

The first installment of an assessment against a particular property shall be due with respect to the calendar year following the date such property has been improved with a habitable structure as evidenced by the issuance of a certificate of occupancy. The City will invoice each property owner for the installment payment in conjunction with the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment has been pain in full. The owner of assessed property may pay at any time the entire easement then due on each property through the date of final payment. Failure of an owner to receive an invoice shall not relieve the owner of the responsibility for the assessment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, privileged above all other liens, include prior mortgage liens, to the extent allowed by Section 372 of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the city's property taxes. Delinquent assessments or installments shall incur the costs of collection. If practicable, the assessment shall be included on the City property tax statement. Notwithstanding the above, the assessment shall be perfected immediately as to the entire assessment, but may be executed only with respect to the amounts then due or past due for current or prior installments or final payment. Assessments are personal obligations of the person owning the property assessed in the year an installment payment becomes due, and only to the extent of such installment(s).

The owner of the assessed property may pay at any time the entire assessment then due on each property.

EXHIBIT A

DESCRIPTION OF
23.632 ACRES OR 1,029,412 SQ. FT.

A TRACT OR PARCEL CONTAINING 23.632 ACRES OR 1,029,412 SQUARE FEET OF LAND, BEING OUT OF A CALLED 25.7329 ACRE TRACT OF LAND CONVEYED TO JAYANTI K. PATEL, AS RECORDED UNDER HARRIS COUNTY CLERK FILE (H.C.C.F.) NUMBER (NO.) 20080549943, BEING A PORTION OF LOTS 82, 78, 79, 75, 96, 95, 94, AND 93 OF FIVE ACRE TRACTS TOM BALL TOWNSITE, MAP OR PLAT THEREOF RECORDED UNDER VOLUME (VOL.) 2, PAGE (PG.) 65, OF THE HARRIS COUNTY MAP RECORDS (H.C.M.R.), SITUATED IN THE RALPH HUBBARD SURVEY, ABSTRACT NO. 383, HARRIS COUNTY, TEXAS, WITH SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

BEGINNING AT A 1/2 INCH IRON ROD FOUND ON THE NORTHWEST RIGHT OF WAY (R.O.W.) LINE OF CARRELL STREET, 60 FEET WIDE, FOR THE SOUTHWEST CORNER OF A CALLED 2.775 ACRE TRACT OF LAND CONVEYED TO WILLIAM DOCK ADAMS, AS RECORDED UNDER H.C.C.F. NO. 20100137241, AND THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 61 DEG. 42 MIN. 47 SEC. WEST, ALONG THE NORTHWEST R.O.W. LINE OF SAID CARRELL STREET, A DISTANCE OF 194.36 FEET TO A CAPPED 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF A CALLED 1.6116 ACRE TRACT CONVEYED TO JOSE BARAJAS, AS RECORDED UNDER H.C.C.F. NO. Y732741, AND A SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 28 DEG. 13 MIN. 32 SEC. WEST, ALONG THE NORTHEAST LINE OF SAID CALLED 1.6116 ACRE TRACT, A DISTANCE OF 208.00 FEET TO A CAPPED 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID CALLED 1.6116 ACRE TRACT, AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 61 DEG. 42 MIN. 47 SEC. WEST, ALONG THE NORTHWEST LINE OF SAID CALLED 1.6116 ACRE TRACT, PASSING AT A DISTANCE OF 337.50 FEET A CAPPED 1/2 INCH IRON ROD STAMPED "WEST STAR" FOUND FOR THE NORTHWEST CORNER OF SAID CALLED 1.6116 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 427.04 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR A SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 29 DEG. 38 MIN. 31 SEC. WEST, A DISTANCE OF 345.09 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE EAST LINE OF A CALLED 70 FEET WIDE STRIP OF LAND CONVEYED TO HARRIS COUNTY FLOOD CONTROL DISTRICT, AS RECORDED UNDER H.C.C.F. NO. B258990, FOR A SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 01 DEG. 23 MIN. 20 SEC. WEST, ALONG THE EAST LINE OF SAID CALLED 70 FEET WIDE STRIP OF LAND, A DISTANCE OF 812.86 FEET TO A 5/8 INCH IRON ROD FOUND ON THE SOUTHEAST R.O.W. LINE OF HUFFSMITH ROAD, CALLED 50 FEET WIDE, FOR THE NORTHEAST CORNER OF SAID CALLED 70 FEET WIDE STRIP OF LAND, AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 53 DEG. 38 MIN. 53 SEC. EAST, ALONG THE SOUTHEAST R.O.W. LINE OF SAID HUFFSMITH ROAD, A DISTANCE OF 866.89 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "A&B RPLS 5685" FOR THE NORTHWEST CORNER OF A CALLED 3.0832 ACRE TRACT CONVEYED TO FRANK HARVEY METZLER, AS RECORDED UNDER H.C.C.F. NO. 20120329200, AND THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 01 DEG. 23 MIN. 55 SEC. EAST, ALONG THE WEST LINE OF SAID CALLED 3.0832 ACRE TRACT, A DISTANCE OF 638.91 FEET TO A CAPPED 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 3.0832 ACRE TRACT, AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 87 DEG. 46 MIN. 08 SEC. EAST, ALONG THE SOUTH LINE OF SAID CALLED 3.0832 ACRE TRACT, A DISTANCE OF 189.75 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE WEST LINE OF A CALLED 12.707 ACRE TRACT CONVEYED TO TOMBALL GRAND JUNCTION, LLC, AS RECORDED UNDER H.C.C.F. NO. RP-2018-247147, FOR THE SOUTHEAST CORNER OF SAID CALLED 3.0832 ACRE TRACT, AND THE MOST EASTERLY NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A CAPPED 5/8 INCH IRON ROD STAMPED "A&B RPLS 5685" BEARS NORTH 87 DEG. 48 MIN. 18 SEC. EAST, 0.42 FEET;

THENCE, SOUTH 01 DEG. 23 MIN. 33 SEC. EAST, ALONG THE WEST LINE OF SAID CALLED 12.707 ACRE TRACT, A DISTANCE OF 122.27 FEET TO A 1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 12.707 ACRE TRACT, THE MOST NORTHERLY NORTHWEST CORNER OF AFORESAID CALLED 2.775 ACRE TRACT, AND AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 01 DEG. 28 MIN. 47 SEC. EAST, ALONG A WEST LINE OF SAID CALLED 2.775 ACRE TRACT, A DISTANCE OF 337.40 FEET TO A 3/4 INCH IRON PIPE FOUND FOR AN INTERIOR CORNER OF SAID CALLED 2.775 ACRE TRACT, AND THE MOST EASTERLY SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 87 DEG. 54 MIN. 18 SEC. WEST, ALONG A NORTH LINE OF SAID CALLED 2.775 ACRE TRACT, A DISTANCE OF 89.29 FEET TO A 3/4 INCH IRON ROD FOUND FOR THE MOST WESTERLY NORTHWEST CORNER OF SAID CALLED 2.775 ACRE TRACT, AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 01 DEG. 22 MIN. 26 SEC. EAST, ALONG A WEST LINE OF SAID CALLED 2.775 ACRE TRACT, A DISTANCE OF 421.17 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 23.632 ACRES OR 1,029,412 SQUARE FEET OF LAND.

ROBERT KNESS
R.P.L.S. NO. 6486
STATE OF TEXAS
FIRM REGISTRATION NO. 10108800

STATE OF TEXAS
REGISTERED
ROBERT KNESS
6486
PROFESSIONAL
LAND SURVEYOR

10-15-2018
DATE

Council Item Information Sheet – Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Eight (Timber Trails Subdivision)

Action Requested

Approval of the Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Eight.

Information

Public infrastructure improvements are nearly complete for Section One of Timber Trails Subdivision within Public Improvement District Number Eight created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 2.75% annual interest) as follows:

40-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 21,810.70	$1,794.13	15 years	$ 103.80	$ 1,897.93

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 27,263.37	$2,242.66	15 years	$ 103.80	$ 2,346.46

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 40-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes to be constructed will be $260,000. The annual assessment payment $1,897.93 is the equivalent of a $0.72 tax rate on a $260,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

AMORTIZATION SCHEDULE BY LOT

Duration (in years)	15
Interest Rate	2.75%
Annual Payment Amount	$1,794.13
Total Lifetime Payments	$26,911.95
Total Principal	$21,810.70
Total Interest	$5,101.25

	Payment	Principal	Interest	Payment	Principal Balance
					$21,810.70
	1	$1,194.34	$599.79	$1,794.13	$20,616.36
	2	$1,227.18	$566.95	$1,794.13	$19,389.18
	3	$1,260.93	$533.20	$1,794.13	$18,128.26
	4	$1,295.60	$498.53	$1,794.13	$16,832.65
	5	$1,331.23	$462.90	$1,794.13	$15,501.42
	6	$1,367.84	$426.29	$1,794.13	$14,133.58
	7	$1,405.46	$388.67	$1,794.13	$12,728.12
	8	$1,444.11	$350.02	$1,794.13	$11,284.02
	9	$1,483.82	$310.31	$1,794.13	$9,800.20
	10	$1,524.62	$269.51	$1,794.13	$8,275.57
	11	$1,566.55	$227.58	$1,794.13	$6,709.02
	12	$1,609.63	$184.50	$1,794.13	$5,099.39
	13	$1,653.90	$140.23	$1,794.13	$3,445.49
	14	$1,699.38	$94.75	$1,794.13	$1,746.11
	15	$1,746.11	$48.02	$1,794.13	$0.00
TOTAL		**$21,810.70**	**$5,101.25**	**$26,911.95**	

Public Improvement District (PID) Primer

What is a PID?

A Public Improvement District (PID) is a public financing tool created under Chapter 372 of the Texas Local Government Code (TLGC). A PID allows a neighborhood or commercial area to apportion the cost of improvements and levy an assessment against property located in the PID, because that property is acquiring a special benefit because of the improvements. In other words, the property that will benefit the most from the improvement pays for the improvement--the burden is not shifted to the entire community. PIDs are intended to promote economic growth by providing the funding mechanism to construct necessary infrastructure or desired amenities that support new developments and encourage redevelopment.

PIDs are a component unit of the City and are governed by the City Council. The Council can create an advisory board for the PID if necessary, but final determinations on establishment, costs, assessments, and budgets must be made by the City Council.

What can a PID finance?

The PID can be designed to help finance the cost of a variety of development costs including:

- water, wastewater, health and sanitation, or drainage improvements;
- street and sidewalk improvements;
- mass transit improvements;
- parking improvements;
- library improvements;
- park, recreation and cultural;
- art installation;
- creation of pedestrian malls; or
- supplemental services. (advertising, extra public safety, etc.)

How does the PID finance the projects?

Project costs can be paid directly by the City or the developer can advance funds. The assessment fees levied on each property fund the project payments. Until the PID has accumulated adequate assessment fee revenue, the City can choose to issue bonds or use general tax revenues for initial payments or developer reimbursements.

Separate fund(s) are created by the City for the administration of the PID. The Council reviews and approves the assessments and district budget each year.

How is a PID created and dissolved?

PID Development Process (minimum steps required by Chapter 372, TLGC):

1. City, County, or affected property owner(s) initiates a petition for creation.
2. If needed, City Council appoints an advisory board to develop the PID improvement plan.
3. City Council holds a public hearing & passes a resolution on the need for the PID.
4. City Council authorizes the establishment of a PID by resolution.
5. Construction of improvements may begin 20-days after the PID's creation.
6. City Council adopts a Service and Assessment Plan (list of projects, costs, debt, & assessment fee) for at least five, ongoing years is developed.
7. City holds a public hearing on the assessment roll (lists each PID property's fee).
8. City Council adopts ordinance to levy the special assessment. (City will also create a special fund(s) for the PID).
9. If necessary, City Council holds public hearing and approves additional assessments to correct omissions or mistakes in the improvement costs.
10. If necessary, City Council holds public hearing & passes a resolution dissolving PID; however, the district remains in effect at least to meet its debt obligations.

Does the City have any additional requirements?
Yes. City of Tomball Administrative Policy No. 18 "Development Policy for Special Financing Districts" requires:

1. Residential Development Size--greater than 125 acres unless the average home value is greater than $225, 000.
2. Annual Individual Assessment Limit—no more than the equivalent of a $.50 tax rate on the assessed value of the property.
3. Assessment Term Limit—Not to exceed 10 years. First assessment due 3 years after levy or upon transfer of property from developer to home buyer whichever occurs first.
4. Developer Interest Limit—If bonds are sold, developer earned interest reimbursements will not exceed the net effective interest rate on bonds sold or 8% whichever is less. If bonds are not sold, reimbursement will be calculated according to an indexed-based formula (see Admin Policy 18) or 8% whichever is less.
5. Bidding Requirements—Developers must follow municipal bidding procedures (as outline in Chap 252 TLGC). All bids and awards of contracts must be approved by City Council.
6. District Administration—The City of Tomball will contract with an outside consultant to bill, collect, and track district assessments. This cost will be included in the Service & Assessment Plan and reimbursed from the district.

Other city policies, procedures, and good practices may also effect individual district creation or administration including approval of related contracts and agreements. For example, the City will usually need to enter into a Developer Agreement to detail the responsibilities & obligations of each party related to the Service and Assessment Plan.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-16, an Ordinance of the City Council of Tomball, Texas, Levying an Assessment against Section One Properties within the City of Tomball Public Improvement District Number Eight (Timber Trails) and Making Certain Findings Related Thereto

Background:

Public infrastructure improvements are nearly complete for Section One of Timber Trails Subdivision within Public Improvement District Number Eight created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 2.75% annual interest) as follows:

40-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 21,810.70	$1,794.13	15 years	$ 103.80	$ 1,897.93

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 27,263.37	$2,242.66	15 years	$ 103.80	$ 2,346.46

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 40-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes to be constructed will be $260,000. The annual assessment payment $1,897.93 is the equivalent of a $0.72 tax rate on a $260,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

AMORTIZATION SCHEDULE BY LOT

Duration (in years)	15
Interest Rate	2.75%
Annual Payment Amount	$1,794.13
Total Lifetime Payments	$26,911.95
Total Principal	$21,810.70
Total Interest	$5,101.25

	Payment	Principal	Interest	Payment	Principal Balance
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	2	$1,227.18	$566.95	$1,794.13	$19,389.18
	3	$1,260.93	$533.20	$1,794.13	$18,128.26
	4	$1,295.60	$498.53	$1,794.13	$16,832.65
	5	$1,331.23	$462.90	$1,794.13	$15,501.42
	6	$1,367.84	$426.29	$1,794.13	$14,133.58
	7	$1,405.46	$388.67	$1,794.13	$12,728.12
	8	$1,444.11	$350.02	$1,794.13	$11,284.02
	9	$1,483.82	$310.31	$1,794.13	$9,800.20
	10	$1,524.62	$269.51	$1,794.13	$8,275.57
	11	$1,566.55	$227.58	$1,794.13	$6,709.02
	12	$1,609.63	$184.50	$1,794.13	$5,099.39
	13	$1,653.90	$140.23	$1,794.13	$3,445.49
	14	$1,699.38	$94.75	$1,794.13	$1,746.11
	15	$1,746.11	$48.02	$1,794.13	$0.00
TOTAL		**$21,810.70**	**$5,101.25**	**$26,911.95**	

Origination:

Scott Bean, Hawes Hill Calderon, LLP

Recommendation:
Adopt Ordinance No. 2020-16 on First Reading

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

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-16
TPID 8 - Council Information Sheet
The Basics - PID Primer

ORDINANCE NO. 2020-16

AN ORDINANCE OF THE CITY COUNCIL OF TOMBALL, TEXAS, LEVYING AN ASSESSMENT AGAINST SECTION ONE PROPERTIES WITHIN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER EIGHT (TIMBER TRAILS SUBDIVISION); AND MAKING CERTAIN FINDINGS RELATED THERETO.

* * * * * * * * * *

WHEREAS, the City of Tomball (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein, and to levy and collect an assessment in furtherance of the purposes thereof; and

WHEREAS, the City has created City of Tomball Public Improvement District Number Eight (the "PID"), adopted a Service and Assessment Plan (the "Plan") for the PID, all in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City Council filed a proposed assessment roll with the City secretary which roll was available for public inspection, and following notice thereof by mail and publication as required by Chapter 372, the City Council held a public hearing at which written or oral objections to the proposed assessments were considered and passed on by the City Council; and

WHEREAS, the City Council has determined that the levy of a special assessment for and on behalf of the PID is necessary and advisable, and that the proposed assessment roll apportions the cost of the subject improvements in the PID on the basis of special benefits accruing to the property because of the improvement, **NOW THEREFORE,**

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

Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The assessment roll attached hereto is hereby approved and the special assessments described therein are hereby levied on the subject property in accordance with the terms of the Plan, which Plan determines, *inter alia*, the method of payment of the assessments, and makes provision for the payment thereof in periodic installments, interest thereon and the collection thereof. The Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

Section 3. There is hereby created a first and prior lien securing payment of the assessment levied, effective as of the date of this Ordinance as provided in the Plan and Chapter 372.

Section 4. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6th DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Public Improvement District Number Eight
Timber Trails Subdivision Section One Assessment Roll
City of Tomball, Texas

OWNER	Block	Lot	Lot Width	Principal	Assessment with Interest	Term	Annual Payment	Admin Fee	Total Annual Payment
Stylecraft Builders, Inc.	1	1	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	2	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	3	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	4	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	5	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	6	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	7	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	8	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	9	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	10	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	11	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	12	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	13	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	14	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	15	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	16	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	17	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	18	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	19	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	1	20	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	21	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	22	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	23	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	24	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	25	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	26	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	27	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	28	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	29	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	30	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	31	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	32	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Tomball Timber Trails, LLC	1	33	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	2	1	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	2	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	3	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	4	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	5	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	6	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	7	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	8	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	9	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	10	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	11	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	12	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	13	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	14	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	15	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	16	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	17	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46

Tomball Timber Trails, LLC	2	18	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	19	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	20	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	21	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	22	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	23	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	24	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	25	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	26	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	27	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	2	28	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	29	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	2	30	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	1	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	2	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	3	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	4	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	5	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	6	40	$ 21,810.70	$ 26,911.95	15 Years	$ 1,794.13	$ 103.80	$ 1,897.93
Stylecraft Builders, Inc.	3	7	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	8	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	9	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	10	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	11	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	12	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	13	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	14	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	15	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	16	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	17	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	18	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	19	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
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Stylecraft Builders, Inc.	3	21	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	22	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	23	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	24	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	25	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	26	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	27	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
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Tomball Timber Trails, LLC	3	29	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	30	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	31	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	32	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	33	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	34	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	35	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	36	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	37	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Tomball Timber Trails, LLC	3	38	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	39	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	40	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	41	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46
Stylecraft Builders, Inc.	3	42	50	$ 27,263.37	$ 33,639.90	15 Years	$ 2,242.66	$ 103.80	$ 2,346.46

<u>Council Item Information Sheet</u> – Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Eight (Timber Trails Subdivision)

<u>Action Requested</u>
Approval of the Service and Assessment Plan and Section One Assessment Roll for Public Improvement District Number Eight.

<u>Information</u>
Public infrastructure improvements are nearly complete for Section One of Timber Trails Subdivision within Public Improvement District Number Eight created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan and an assessment roll for Section One must be approved by City Council that will levy the assessment on each of the lots in Section One. The Plan shows the estimated total costs for public improvements in the PID and the assessments to be levied against residential property in the PID. Each property (lot) will pay a pro-rata portion of the public improvement costs. The Plan also specifies how the assessments are to be collected.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 2.75% annual interest) as follows:

40-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 21,810.70	$1,794.13	15 years	$ 103.80	$ 1,897.93

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 27,263.37	$2,242.66	15 years	$ 103.80	$ 2,346.46

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 40-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes to be constructed will be $260,000. The annual assessment payment $1,897.93 is the equivalent of a $0.72 tax rate on a $260,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

AMORTIZATION SCHEDULE BY LOT

Duration (in years)	15
Interest Rate	2.75%
Annual Payment Amount	$1,794.13
Total Lifetime Payments	$26,911.95
Total Principal	$21,810.70
Total Interest	$5,101.25

	Payment	Principal	Interest	Payment	Principal Balance
					$21,810.70
	1	$1,194.34	$599.79	$1,794.13	$20,616.36
	2	$1,227.18	$566.95	$1,794.13	$19,389.18
	3	$1,260.93	$533.20	$1,794.13	$18,128.26
	4	$1,295.60	$498.53	$1,794.13	$16,832.65
	5	$1,331.23	$462.90	$1,794.13	$15,501.42
	6	$1,367.84	$426.29	$1,794.13	$14,133.58
	7	$1,405.46	$388.67	$1,794.13	$12,728.12
	8	$1,444.11	$350.02	$1,794.13	$11,284.02
	9	$1,483.82	$310.31	$1,794.13	$9,800.20
	10	$1,524.62	$269.51	$1,794.13	$8,275.57
	11	$1,566.55	$227.58	$1,794.13	$6,709.02
	12	$1,609.63	$184.50	$1,794.13	$5,099.39
	13	$1,653.90	$140.23	$1,794.13	$3,445.49
	14	$1,699.38	$94.75	$1,794.13	$1,746.11
	15	$1,746.11	$48.02	$1,794.13	$0.00
TOTAL		**$21,810.70**	**$5,101.25**	**$26,911.95**	

Public Improvement District (PID) Primer

What is a PID?

A Public Improvement District (PID) is a public financing tool created under Chapter 372 of the Texas Local Government Code (TLGC). A PID allows a neighborhood or commercial area to apportion the cost of improvements and levy an assessment against property located in the PID, because that property is acquiring a special benefit because of the improvements. In other words, the property that will benefit the most from the improvement pays for the improvement--the burden is not shifted to the entire community. PIDs are intended to promote economic growth by providing the funding mechanism to construct necessary infrastructure or desired amenities that support new developments and encourage redevelopment.

PIDs are a component unit of the City and are governed by the City Council. The Council can create an advisory board for the PID if necessary, but final determinations on establishment, costs, assessments, and budgets must be made by the City Council.

What can a PID finance?

The PID can be designed to help finance the cost of a variety of development costs including:

- water, wastewater, health and sanitation, or drainage improvements;
- street and sidewalk improvements;
- mass transit improvements;
- parking improvements;
- library improvements;
- park, recreation and cultural;
- art installation;
- creation of pedestrian malls; or
- supplemental services. (advertising, extra public safety, etc.)

How does the PID finance the projects?

Project costs can be paid directly by the City or the developer can advance funds. The assessment fees levied on each property fund the project payments. Until the PID has accumulated adequate assessment fee revenue, the City can choose to issue bonds or use general tax revenues for initial payments or developer reimbursements.

Separate fund(s) are created by the City for the administration of the PID. The Council reviews and approves the assessments and district budget each year.

How is a PID created and dissolved?

PID Development Process (minimum steps required by Chapter 372, TLGC):

1. City, County, or affected property owner(s) initiates a petition for creation.
2. If needed, City Council appoints an advisory board to develop the PID improvement plan.
3. City Council holds a public hearing & passes a resolution on the need for the PID.
4. City Council authorizes the establishment of a PID by resolution.
5. Construction of improvements may begin 20-days after the PID's creation.
6. City Council adopts a Service and Assessment Plan (list of projects, costs, debt, & assessment fee) for at least five, ongoing years is developed.
7. City holds a public hearing on the assessment roll (lists each PID property's fee).
8. City Council adopts ordinance to levy the special assessment. (City will also create a special fund(s) for the PID).
9. If necessary, City Council holds public hearing and approves additional assessments to correct omissions or mistakes in the improvement costs.
10. If necessary, City Council holds public hearing & passes a resolution dissolving PID; however, the district remains in effect at least to meet its debt obligations.

Does the City have any additional requirements?
Yes. City of Tomball Administrative Policy No. 18 "Development Policy for Special Financing Districts" requires:

1. Residential Development Size--greater than 125 acres unless the average home value is greater than $225, 000.
2. Annual Individual Assessment Limit—no more than the equivalent of a $.50 tax rate on the assessed value of the property.
3. Assessment Term Limit—Not to exceed 10 years. First assessment due 3 years after levy or upon transfer of property from developer to home buyer whichever occurs first.
4. Developer Interest Limit—If bonds are sold, developer earned interest reimbursements will not exceed the net effective interest rate on bonds sold or 8% whichever is less. If bonds are not sold, reimbursement will be calculated according to an indexed-based formula (see Admin Policy 18) or 8% whichever is less.
5. Bidding Requirements—Developers must follow municipal bidding procedures (as outline in Chap 252 TLGC). All bids and awards of contracts must be approved by City Council.
6. District Administration—The City of Tomball will contract with an outside consultant to bill, collect, and track district assessments. This cost will be included in the Service & Assessment Plan and reimbursed from the district.

Other city policies, procedures, and good practices may also effect individual district creation or administration including approval of related contracts and agreements. For example, the City will usually need to enter into a Developer Agreement to detail the responsibilities & obligations of each party related to the Service and Assessment Plan.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-12, an Ordinance Altering the *Prima Facie* Speed Limits Established for Vehicles under the Provisions of §545.356, Texas Transportation Code, upon the Basis of an Engineering and Traffic Investigation, upon Certain Streets and Highways, or Parts Thereof, within the Corporate Limits of The City of Tomball, as Set Out in This Ordinance, and Providing a Penalty of a Fine in an Amount Not to Exceed Two Hundred Dollars ($200.00) for the Violation of This Ordinance

Background:

In May 2020, staff was contacted by a citizen to express concerns regarding the posted speed limits along William Juergens Drive due to the fact that city street is a dead end road with several residential homes.
Staff conducted an engineering and traffic study, which has warranted certain revisions to the posted speed limits along William Juergens Drive.
The recommended revisions include the following speed zone:

> Along William Juergens Drive, beginning at the intersection of Zion Road for approximately 1,800 feet, a distance of approximately 0.34 miles, the speed limit shall be 20 MPH.

Once adopted, staff anticipates the new speed limits to be posted within 30 days, pending the delivery of the speed limit signs.

Origination:

Public Works Department

Recommendation:

Adopt Ordinance Number 2020-12 on first reading.

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

Beth Jones, Public Works Director

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-12

ORDINANCE NO. 2020-12

AN ORDINANCE ALTERING THE *PRIMA FACIE* SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF §545.356, TEXAS TRANSPORTATION CODE, UPON THE BASIS OF AN ENGINEERING AND TRAFFIC INVESTIGATION, UPON CERTAIN STREETS AND HIGHWAYS, OR PARTS THEREOF, WITHIN THE CORPORATE LIMITS OF THE CITY OF TOMBALL AS SET OUT IN THIS ORDINANCE; AND PROVIDING A PENALTY OF A FINE IN AN AMOUNT NOT TO EXCEED TWO HUNDRED DOLLARS ($200.00) FOR THE VIOLATION OF THIS ORDINANCE.

* * * * * * * * * *

WHEREAS, §545.356, Texas Transportation Code, provides that, whenever the governing body of the City shall determine, upon the basis of an engineering and traffic investigation, any *prima facie* speed therein set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of a street or highway within the City, taking into consideration the width and condition of the pavement and other circumstances on such portion of said street or highway, as well as the usual traffic thereon, said governing body may determine and declare a reasonable and safe *prima facie* speed limit thereat or there on by the passage of an Ordinance, which shall be effective when appropriate signs giving notice thereof are erected at such intersection or other place or part of the street or highway;

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

Section 1. Upon the basis of an engineering and traffic investigation heretofore made as authorized by the provisions of §545.356, Texas Transportation Code, the following *prima facie* speed limits hereafter indicated for vehicles are hereby determined and declared to be reasonable and safe; and such speed limits are hereby fixed at the rate of speed indicated for vehicles traveling upon the named streets and highways, or parts thereof, described as follows:

Along William Juergens Drive, beginning at the intersection of Zion Road for approximately 1,800 feet, a distance of approximately 0.34 miles, the speed limit shall be 20 MPH.

Section 2. Any person violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any sum not more than Two Hundred Dollars ($200.00).

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL, HELD ON THE 6TH DAY OF JULY 2020.

COUNCILMAN FORD	______
COUNCILMAN STOLL	______
COUNCILMAN DEGGES	______
COUNCILMAN TOWNSEND	______
COUNCILMAN KLEIN QUINN	______

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL, HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	______
COUNCILMAN STOLL	______
COUNCILMAN DEGGES	______
COUNCILMAN TOWNSEND	______
COUNCILMAN KLEIN QUINN	______

____
GRETCHEN FAGAN, Mayor
City of Tomball

ATTEST:

____
DORIS SPEER, City Secretary
City of Tomball

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Adopt, on First Reading, Ordinance No. 2020-21, an Ordinance of the City Council of Tomball, Texas, Amending Section 8-124 of Its Code of Ordinances to Remove the Use of the Term "Single-Family Residential Platted Lot" and Removing the Requirement that the One-Acre Requirement be Calculated Without Regard to Improvements Existing on the Property; 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

Background:

Prior to the adoption of Zoning in 2008, land use was determined by plat. Since land use is now determined by zoning district, the use of the term "single-family residential platted lot" is no longer valid or necessary. This will also remove the requirement to eliminate structures, pools, etc., from the one-acre area requirement.

Origination:

Community Development Department & City Attorney

Recommendation:

Approval

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

Craig Meyers, Community Development Director

ACTION TAKEN

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

ATTACHMENTS:

Ordinance No. 2020-21

ORDINANCE NO. 2020-21

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS AMENDING SECTION 8-124 OF ITS CODE OF ORDINANCES TO REMOVE THE USE OF THE TERM "SINGLE-FAMILY RESIDENTIAL PLATTED LOT" AND REMOVING THE REQUIREMENT THAT THE ONE-ACRE REQUIREMENT BE CALCULATED WITHOUT REGARD TO IMPROVEMENTS EXISTING ON THE PROPERTY; 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.

* * * * * * * * * * *

WHEREAS, the City Council of the City of Tomball, Texas has determined it to be in the best interest of the health, safety and welfare of the citizens to remove the term "single-family residential platted lot" from Section 8-124 of it Code of Ordinances; now, therefore:

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

Section 1. The facts and matters contained in the preamble to this ordinance are hereby found to be true and correct.

Section 2. The Code of Ordinances of the City of Tomball, Texas is hereby amended by deleting from Section 8-124, Keeping Restricted, of Article III, Livestock, of Chapter 8, Animals, the language struckthrough below, Section 8-124 to read as follows:

"**Section 8-124. - Keeping restricted.**

With the exception of agricultural science project centers that are approved by city council, the following restrictions shall apply to all livestock kept within the city:

(1) All livestock kept on land which is immediately adjacent to a single-family residence ~~or a single-family residential platted lot~~ shall be kept in a stable, shed or pen, or a fenced pasture, which stable, shed, pen or fenced pasture shall be at least 100 feet distant from every such single-family residence ~~or single-family residential platted lot~~.

(2) No livestock shall be kept in any pasture or on any lot which is less than one acre (43,560 square feet) in area. The maximum number of animals kept ~~per one-acre area~~ shall not exceed one per acre.

~~(3)~~ ~~For the purposes of determining whether or not the property contains one acre in area, any areas containing a single-family residence or other building, swimming pool or structure, shall not be taken into consideration. The one acre must be devoted entirely to pasture land.~~

(~~4~~3) If a single-family residence is constructed adjacent to an area where livestock are being kept, the owner of the livestock shall have 60 days in which to comply with the terms of this section. ~~If a tract or parcel of land adjacent to an area where livestock are being kept is platted in single-family residential lots, the owner of the livestock shall have 60 days in which to comply with the terms of this section.~~"

Section 3. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance 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 Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 4. Any person who shall intentionally, knowingly, recklessly, or with criminal negligence violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 6TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF JULY 2020.

COUNCILMAN FORD	________
COUNCILMAN STOLL	________
COUNCILMAN DEGGES	________
COUNCILMAN TOWNSEND	________
COUNCILMAN KLEIN QUINN	________

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Regular City Council Agenda Item Data Sheet

Meeting Date: July 6, 2020

Topic:

Approve Resolution No. 2020-18, a Resolution of the City of Tomball, Texas, Excluding Emergency Responders from the City's COVID-19 Employee Leave Policy

Background:

The City finds that exempting certain City employees that are "Emergency Responders" from the City's COVID-19 Employee Leave Policy is necessary to protect the health, safety and welfare of the City residents and to provide access to essential services, including fully staffing the necessary functions of the City. To do so, it is necessary that City Council pass this Resolution.

Origination:

City Manager & City Attorney

Recommendation:

It is recommended that City Council pass this resolution.

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

Robert S. Hauck

ACTION TAKEN

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

ATTACHMENTS:

Resolution No. 2020-18

RESOLUTION NO. 2020-18

A RESOLUTION OF THE CITY OF TOMBALL, TEXAS, EXCLUDING EMERGENCY RESPONDERS FROM THE CITY'S COVID-19 EMPLOYEE LEAVE POLICY

* * * * * * * * * *

WHEREAS Section 3105 of the Emergency Family and Medical Leave Expansion Act (EFMLEA) provides that an "employer of an employee who is a health care professional or an emergency responder may elect to exclude such employee from the application of the provisions in the amendments made under Section 3102 of this Act"; and

WHEREAS Section 5111(1) of the Emergency Paid Sick Leave Act (EPSLA) provides that the Secretary of Labor shall have the authority to exclude certain health care provider and emergency responders from the definition of employee under section 5110(1) including by allowing the employer of such health care providers and emergency responders to opt out; and

WHEREAS 29 C.F.R. § 826.30(c) provides that an employer of an "emergency responder may exclude such Employee from the EPSLA's Paid Sick Leave requirements and/or the EMFLEA's Expanded Family and Medical Leave requirements," and

WHEREAS the City finds that exempting certain City employees that are "Emergency Responders" from the City's COVID-19 Employee Leave Policy is necessary to protect the health, safety and welfare of the City residents and to provide access to essential services, including fully staffing the necessary functions of the City;

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

Section 1. That the City, in accordance with the Families First Coronavirus Response Act (FFCRA) and pursuant to its discretion and authority under the EPSLA and EFMLEA, hereby affirmatively elects to exempt Emergency Responders from eligibility and coverage under FFCRA, in a manner consistent with FFCRA and to the extent allowable by law.

Section 2. For the purpose of this Resolution and the City's COVID-19 Employee Leave Policy, "Emergency Responders" shall have the same definition as that under 29 C.F.R §826.30(c)(2), which is defined as anyone necessary for the provision of transport, care, healthcare, comfort and nutrition of such patient, or others needed for the response to COVID-19. This shall include, but is not limited to, the following categories of City employees: law enforcement officers, firefighters, emergency management personnel, 911 operators, and public works personnel. The City's exercise of this option does not impact an employee's earned or accrued sick, personal vacation, or other City provided leave under its policies.

PASSED, APPROVED, AND ADOPTED this ____ day of ________ 2020.

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Authorize City Manager to Execute Contract between the City of Tomball and Texas Commission on Environmental Quality (TCEQ) for the Award of Texas Volkswagen Environmental Mitigation Program (TxVEMP) Grant, for an Amount of $72,284.00

Background:

Staff submitted a grant application to the TCEQ to receive funds toward the replacement of an aging dump truck.

The City has been awarded the Texas Volkswagen Environmental Mitigation Program Grant in the amount of $72,284.00. The grant funds received, plus budgeted funds from the City of $56,345.00, will fund the purchase of a new dump truck to be utilized by the entire Public Works Department.

As part of the grant requirements, our current dump truck being replaced must be destroyed so that it is unable to be used in the future thus reducing omissions into the environment.

Origination:

Public Works Department

Recommendation:

Staff recommends authorizing the City Manager to execute a contract between the City and the Texas Commission on Environmental Quality to receive grant funds through the Texas Volkswagen Environmental Mitigation Program in the amount of $72,284.00.

Funding:

Yes

Account Number:650-652-6405

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

Beth Jones, Public Works Director

ACTION TAKEN

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

ATTACHMENTS:

TxVEMP Contract

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

TEXAS VOLKSWAGEN ENVIRONMENTAL MITIGATION PROGRAM CONTRACT

CONTRACT SIGNATURE PAGE

Contract Name:	Texas Volkswagen Environmental Mitigation Program (TxVEMP)
Contract Number:	582-20-14079-VW
PERFORMING PARTY Name:	City of Tomball
Total Contract Amount Not To Exceed:	$72,284.00
Contract Effective Date:	Date of last signature
Contract Expiration Date & Purchase Expiration Date:	24 months after Contract Effective Date
Activity Life Expiration Date:	Five years from final reimbursement date

The Texas Commission on Environmental Quality (TCEQ), an agency of the State of Texas and the named PERFORMING PARTY enter this Contract for the purpose of providing financial assistance for emissions reduction projects as authorized under Texas Water Code Section 5.124, the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (State Trust), and the Beneficiary Mitigation Plan for Texas. The Parties agree the PERFORMING PARTY will conduct the Grant Activities required by the Contract and will be reimbursed from the State Trust for authorized Allowable Costs in accordance with the Texas Uniform Grant Management Standards and the Contract.

Authorized Official	**Texas Commission on Environmental Quality (TCEQ)**	**City of Tomball (PERFORMING PARTY)**
Printed name:	Nate Hickman	Mr. Robert S. Hauck
Title:	Manager, Grant Development and Management Section	City Manager
By (Authorized Signature):		
Date of Signature:		

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GENERAL CONDITIONS
for
Texas Volkswagen Environmental Mitigation Program
Replacement and Repower Activities

ARTICLE 1. DEFINITIONS

Unless defined herein, terms in this Contract and Contract Documents will have the meanings provided in the Texas Uniform Grant Management Standards (UGMS) or the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (State Trust) and Beneficiary Mitigation Plan for Texas (Mitigation Plan). The following terms have the meanings indicated.

1.1 Activity Life – the time period established by the TCEQ that is used to determine the emissions reductions of the activity. The Activity Life begins on the date the final reimbursement payment is made under the grant, continuing for five (5) years afterwards. Upon acceptance by TCEQ of the final disposition verification and completion of all reimbursements, the TCEQ will notify the PERFORMING PARTY in writing of the Activity Life start and end dates for each activity.

1.2 Application - the Application for a grant submitted by the PERFORMING PARTY including any amendments or supplemental conditions added to the Application. An Application may include one or more Supplemental Forms, which pertain to the individual activities to be conducted under the grant. The Application is used to develop the Scope of Work. In case of conflict between the Application and Scope of Work, the Scope of Work will take precedence.

1.3 Authorized Official - the individual authorized to sign legal documents on behalf of the TCEQ and the PERFORMING PARTY. Authorized Officials of the TCEQ and the PERFORMING PARTY are designated in writing in the Contract.

1.4 Contract Period – term of the Contract from the Contract Effective Date through final reimbursement payment. This Contract will administratively terminate at the end of the Contract Period with the final reimbursement payment and release of claims; however, the PERFORMING PARTY remains obligated for the Activity Life of the Contract.

1.5 Final Completion – when the Grant Activities are completed in the judgment of the TCEQ. This will usually occur upon the successful completion of the Activity Life of all the Grant Activities under this Contract.

1.6 Grant Activity/Activities - activities the PERFORMING PARTY has agreed to perform under this Contract that are detailed in the Scope of Work.

1.7 Grant – means the Contract between TCEQ and the PERFORMING PARTY consisting of the documents listed in Article 8, Contract Documents. The term “Grant” shall be used interchangeably as “Agreement” or “Contract.”

1.8 Grant Equipment - the equipment, real property, vehicles, qualifying fuel, infrastructure, processes and technology, and the related goods and services in a Grant Activity for which the cost of purchase or utilization is reimbursed, in whole or in part, under this Contract. The term includes replacements for the Grant Equipment which is lost, stolen, or irreparably damaged.

1.9 Incremental Costs – the cost of an approved activity less a baseline cost that would otherwise be incurred by the PERFORMING PARTY in the normal course of business, as determined according to the RFGA.

1.10 Minor Change - a written document which provides for minor changes in the work in accordance with these General Conditions, but which does not involve a change in the Contract Amount or the Contract Period.

1.11 NO_X - nitrogen oxides (NO_X) are a class of pollutants formed when fuel is burned at a very high temperature (above 1200° F), such as in automobiles and power plants. For air pollution purposes, it is composed primarily of nitric oxide (NO), nitrogen dioxide (NO_2), and other oxides of nitrogen, and it plays a major role in the formation of ground-level ozone in the atmosphere through a complex series of reactions with volatile organic compounds (VOCs).

1.12 Optimum Performance - the level of performance at which Grant Equipment functions to achieve the anticipated emissions reductions.

1.13 PERFORMING PARTY – the grant recipient indicated on the signature page of this Contract, also referred to in this agreement as the "grantee."

1.14 Purchase Expiration Date – the date specified in the Contract when all costs for Grant Equipment must be incurred and paid.

1.15 Priority Areas - the eligible areas and counties where the PERFORMING PARTY must use the grant-funded equipment a minimum of 51% of the annual use during the Activity Life. The applicable Priority Areas are listed in the TxVEMP RFGA, TxVEMP Application, and the Scope of Work of this Contract.

1.16 Project Representative – individual identified by each party and designated in this Contract to whom all communications, signed contracts and related documents, and written correspondence will be addressed and delivered.

1.17 Scope of Work – the Contract document detailing the requirements of the Grant Activities.

1.18 State - means the State of Texas.

1.19 Termination - means a permanent end and cessation of the Contract because: the Purchase Expiration Date has passed without completion of purchases eligible for reimbursement; all requirements of this Contract are completed within the sole discretion of the TCEQ; the PERFORMING PARTY has requested termination and repaid funds as allowed by Section 19.7; or the Contract is ended by action of the TCEQ for cause or for convenience. The Date of Termination is the Purchase Expiration Date, Final Completion, or the effective date of action by the TCEQ ending the Contract for cause or for convenience, as applicable.

1.20 Written Amendment - a document signed by the PERFORMING PARTY and the TCEQ which authorizes an adjustment in the Contract Amount or the Contract Period, or substantive changes to the Grant Activities affecting obligations between the parties issued on or after the Effective Date of the Contract.

ARTICLE 2. GOVERNING STANDARDS AND LEGAL AUTHORITY

This Contract is subject to: (1) Texas Water Code Section 5.124 (TCEQ's authority to award grants) and Section 5.229 (TCEQ's general authority to enter into contracts); (2) the Uniform Grant and Contract Management Act, Texas Government Code, Section 783.001 et seq., and the Texas Uniform Grant Management Standards (UGMS); (3) TCEQ rules and policies (pertaining to TCEQ contracts and grants); (4) the State Trust Agreement and the Mitigation Plan; (5) the RFGA; and (6) other applicable Federal and State rules and statutes.

ARTICLE 3. PURPOSE

This grant program implements a portion of the Texas Volkswagen (VW) Environmental Mitigation Program (TxVEMP) established and administered by the TCEQ. Visit the TxVEMP website, www.TexasVWFund.org, for more information on the background and purpose of the TxVEMP.

ARTICLE 4. FUNDS

4.1 Amount Limits on Funds. The PERFORMING PARTY will receive reimbursement for the costs of the conforming Grant Activities. The Total Contract Amount Not to Exceed is shown on the Signature Page.

4.2 TCEQ in its sole discretion will determine whether costs are eligible and conform to the Grant Activities. The actual amount of reimbursement authorized may be less than the Total Contract Amount Not to Exceed. The Total Contract Amount Not to Exceed is not a guarantee of payment, nor does the Contract guarantee a minimum amount of reimbursement.

4.3 Time Limits on Funds (Purchase Expiration Date). Costs to be reimbursed under this Contract must be incurred and paid by the Purchase Expiration Date as identified on the Signature Page of this Contract.

ARTICLE 5. CONTRACT PERIOD

5.1 This Contract will commence on the Effective Date of the Contract and will expire 24 months after that date (Contract Expiration Date). The Contract Expiration Date may be extended through a Written Amendment. Extensions are subject to TCEQ's sole discretion.

5.2 The PERFORMING PARTY agrees to perform in accordance with the Contract Documents beyond any event of termination and through the end of the Activity Life of any Grant Activity for which the PERFORMING PARTY has been reimbursed. The PERFORMING PARTY acknowledges that certain contractual requirements, such as record retention and audit survive the Expiration Date or termination of the Contract.

5.3 Due to the time limitations on availability of the grant funds, the TCEQ's obligation to reimburse the PERFORMING PARTY's allowable costs incurred and paid expires forty-five (45) days after the Purchase Expiration Date. If no reimbursement has been requested as of this date, this Contract will terminate without any further obligations to either party.

ARTICLE 6. ELIGIBLE ACTIVITIES

6.1 The PERFORMING PARTY agrees to complete all Grant Activities as described in the Scope of Work and in accordance with the Contract Documents.

6.2 The TCEQ may accept performance of a reduced number of the individual Grant Activities listed in the Scope of Work, at its sole discretion. The PERFORMING PARTY will only be reimbursed for those Grant Activities for which eligible purchases are completed.

6.3 The vehicle or piece of equipment being acquired under a grant may not have been acquired prior to the opening of the grant application period, unless otherwise approved by the TCEQ.

ARTICLE 7. REPRESENTATIONS

The PERFORMING PARTY hereby ratifies and attests to all representations and certifications in the Application and agrees to give prompt written notice to the TCEQ if there is any material change in these representations or certifications.

ARTICLE 8. CONTRACT DOCUMENTS

8.1 The Contract Documents which comprise the entire Contract between TCEQ and the PERFORMING PARTY are (in order of precedence in the event of conflicts):

- 8.1.1 Contract Signature Page.
- 8.1.2 Scope of Work.
- 8.1.3 Special Conditions.
- 8.1.4 General Conditions.
- 8.1.5 The TCEQ Request for Grant Applications, incorporated herein by reference.
- 8.1.6 Beneficiary Mitigation Plan for Texas, incorporated herein by reference.
- 8.1.7 Environmental Mitigation Trust Agreement for State Beneficiaries ("State Trust"), incorporated herein by reference.
- 8.1.8 The PERFORMING PARTY's Original Application, and any supplemental documentation submitted by the PERFORMING PARTY in support of the Application or grant award, incorporated herein by reference.
- 8.1.9 The following which may be delivered or issued after the Effective Date of the Contract and are not attached: all written Amendments, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the General Conditions.

8.2 The information and data provided in the Application submitted by the PERFORMING PARTY may have been altered after submittal to the TCEQ, to ensure that the information in the Application is accurate. The PERFORMING PARTY has reviewed the Scope of Work (a Contract Document) and hereby ratifies, adopts, and agrees to all such alterations contained within the Scope of Work.

8.3 There are no Contract Documents other than those listed above in this Article. The Contract Documents may be amended, modified, or supplemented only as provided in the General Conditions.

ARTICLE 9. ELIGIBILITY FOR COST REIMBURSEMENT

9.1 The TCEQ will direct the Trustee of the State Trust to act as Disburser to issue payment to the PERFORMING PARTY for those costs which are eligible for reimbursement in accordance with all requirements. Costs are considered eligible for reimbursement when the TCEQ, in its sole discretion, determines that the costs are the reasonable, necessary, actual, and allowable costs of implementing the Grant Activities listed in the Scope of Work. Costs must be included in the Scope of Work to be eligible for reimbursement.

9.2 The Grant Equipment must be acquired, with costs incurred and paid to be eligible for reimbursement. If the PERFORMING PARTY is obligated under a commercial financing agreement resulting in PERFORMING PARTY's purchase and ownership of the equipment (such as a capital lease or finance lease), this is also eligible. Leases that do not meet this criterion are ineligible.

9.2.1 If the Contract includes Infrastructure projects, a standard lease agreement of the infrastructure equipment without a binding commitment to purchase is eligible for these projects. The lease must extend to the end of the Activity Life for the Infrastructure equipment.

Procurement

9.3 The PERFORMING PARTY agrees to follow all the requirements of the Texas Uniform Grant Management Standards (UGMS). The PERFORMING PARTY must ensure its procurement practices prohibit any actual or apparent conflicts of interest as described under UGMS __.36 Procurement (b)(3). PERFORMING PARTY agrees that TCEQ has sole discretion to determine whether a conflict exists, and that a conflict of interest may be considered a material breach of this Contract. Additionally, PERFORMING PARTY will adhere to the applicable cost principles under __.22 Allowable Costs. The UGMS document is located at:

https://comptroller.texas.gov/purchasing/docs/ugms.pdf

Reasonable Costs

9.4 Reasonableness of costs depends upon a variety of considerations and circumstances, including:

- 9.4.1 whether it is the type of cost generally recognized as ordinary and necessary for the conduct of the PERFORMING PARTY's business or the contract performance;
- 9.4.2 generally accepted sound business practices, arm's length bargaining, and federal and state laws and regulations;
- 9.4.3 the PERFORMING PARTY's responsibilities to the TCEQ, other customers, the owners of the business, employees, and the public at large; and
- 9.4.4 any significant deviations from the accepted industry established practices.

Necessary Costs

9.5 Necessary costs include costs which are directly attributable to the implementation of the Grant Activities and must be included in the Scope of Work.

9.6 Unless expressly authorized by the TCEQ, necessary costs do not include:

- 9.6.1 the cost of money;
- 9.6.2 the interest charges on a purchase money loan or on a deferred payment purchase agreement; or
- 9.6.3 the cost of converting from a lease to a purchase at the end of the lease period.

Actual Costs

9.7 The criteria for actual costs include:

- 9.7.1 the direct Incremental Costs of implementing the Grant Activities; or
- 9.7.2 the true price charged by a vendor/contractor to the PERFORMING PARTY for implementing the Grant Activities.

9.8 Unless expressly authorized by the TCEQ, actual costs do not include:

- 9.8.1 amounts deducted from the true price of the purchase or lease acquisition of Grant Equipment whether as discounts, rebates, refunds or otherwise;
- 9.8.2 amounts which the PERFORMING PARTY owes or agrees to pay a vendor or contractor for any purpose other than the implementation of Grant Activities;
- 9.8.3 amounts in the charges which a vendor/contractor intends to return to PERFORMING PARTY in the form of cash, goods, services, gifts, intangibles, discounts or any other items of value;
- 9.8.4 baseline costs designated by the TCEQ in the Application reflecting the costs that would otherwise be incurred by the PERFORMING PARTY in the normal course of business; or
- 9.8.5 amounts which are reimbursed by other public sources or for which tax credits or other public financial incentives are or will be received by the PERFORMING PARTY.

9.9 The PERFORMING PARTY's documentation of expenses is required under Article 17 of these General Conditions.

Allowable Costs

9.10 In order to be allowable, costs must be included in the Scope of Work, and must satisfy the requirements of: this Contract, the UGMS, state agency rules, and all applicable state and federal laws.

Consulting (Application Assistance) Fees

9.11 Any fees charged by a consultant for preparation of the Application, either directly or as an addition to the cost basis of the grant-funded vehicle, equipment, or engine, are the sole responsibility of the PERFORMING PARTY or the vendor and are not an allowable cost under this Contract. All purchase decisions must be based on sound business practices and arm's length bargaining. It is generally considered acceptable for an applicant to accept assistance from a vendor or an agent of a vendor in preparing the Application, so long as any decision by the applicant to purchase the grant-funded vehicle or equipment from that vendor is made independently and meets the other reasonableness provisions in the Contract. However, if the consultant is paid directly by the applicant to complete the Application or to act as the PERFORMING PARTY's agent for the grant process, purchases of Grant Equipment from an entity in which the consultant has an interest will be considered a conflict of interest under Subsection 9.3 of this Contract.

9.12 Unless otherwise approved in advance by the TCEQ, fees for a third-party consultant hired by the PERFORMING PARTY to manage and administer the grant-funded activities, including coordination of the work and submission of reports and paperwork to the TCEQ, will be considered administrative costs of the PERFORMING PARTY and are not allowable under this Contract. This provision does not limit the ability of an equipment vendor or installer to include ordinary, reasonable, and necessary operational costs in the price of the vehicle, equipment, or installation services.

Preapproval of Costs

9.13 The TCEQ may request additional details regarding costs listed in the Scope of Work and may require that the PERFORMING PARTY obtain preapproval of specific costs from the TCEQ prior to incurring those costs.

Purchase Agreements and Subcontracts

9.14 If requested by the TCEQ, the PERFORMING PARTY must provide the TCEQ with copies of purchase agreements or subcontracts for cost items to be reimbursed under this Contract for approval, prior to the PERFORMING PARTY entering into a final purchase agreement and/or subcontract.

Additional Evidence

9.15 The TCEQ may at any time before or after reimbursement, as necessary in its sole discretion, request additional evidence concerning costs.

Additional Criteria for Reimbursement

9.16 The TCEQ may at any time, in its sole discretion, establish additional criteria and requirements for reimbursement of costs as serves the best interests of the State.

Costs in Scope of Work are Maximum Amounts, Not a Guarantee

9.17 Amounts of costs stated in the Scope of Work are maximum amounts of reimbursement. By stating the amounts, TCEQ does not 1) guarantee payment of those amounts or 2) waive the requirements for reimbursement which must subsequently and continually be satisfied by the PERFORMING PARTY. The amount of costs for which reimbursement may be requested is the lesser of 1) the costs stated in the Scope of Work or 2) the actual eligible costs.

No Entitlement to Funds

9.18 The PERFORMING PARTY has a continuing obligation to satisfy the requirements for reimbursement. Neither a request for reimbursement nor TCEQ's direction of the Disburser to issue payment nor any other action will establish an entitlement in the PERFORMING PARTY to payment from the TCEQ or the Disburser.

9.19 By directing the Disburser to issue a check for payment, the TCEQ does not waive any requirements for the reimbursement of costs. The TCEQ may audit the records of the PERFORMING PARTY and may also audit the PERFORMING PARTY's performance as to the Grant Activities and the administrative requirements. The PERFORMING PARTY shall return grant funding to the State Trust for any reimbursed expenses that are later determined to be unallowable under the terms of this Contract.

Debts owed to the State

9.20 If the PERFORMING PARTY owes any amount(s) to the State of Texas TCEQ may not authorize reimbursement until the debt is satisfied.

Child Support

9.21 Under Section 231.006 of the Texas Family Code, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to receive a state grant or loan. By executing this Contract, the PERFORMING PARTY certifies that the individual or business entity named in this Contract, bid, or application is eligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.

Required Waiver

9.22 Any checks to the PERFORMING PARTY will be issued on behalf of TCEQ by Wilmington Trust, N.A., acting as Disburser. Checks will include the following waiver language below the endorsement signature line of each check: "By endorsing and cashing this check the Payee hereof agrees and acknowledges that: (i) Wilmington Trust N.A. ("WT") is acting merely as an agent of the TCEQ solely to assist it in making payments and that such payees agrees to waive any and all claims whatsoever, in law and/or in equity, against WT, and agrees not to initiate a suit against WT in respect of, and agrees that WT will not be liable for, any actions that WT takes, or abstains from taking, in either case, arising out of or in connection with the performance of its duties on behalf and as directed by TCEQ and (ii) WT shall not be liable for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever or force majeure events or Acts of God in connection with making this payment for TCEQ."

9.22.1 The PERFORMING PARTY acknowledges that the Disburser is a third-party beneficiary of this acknowledgement.

ARTICLE 10. REQUEST FOR REIMBURSEMENT

10.1 Eligible expenses must have been incurred by the PERFORMING PARTY prior to the Purchase Expiration Date. To receive reimbursement for eligible expenses, the PERFORMING PARTY shall submit no more frequently than monthly, a completed TCEQ Request for Reimbursement form, to be made available to the PERFORMING PARTY by the TCEQ. The request and forms shall be mailed or delivered to:

Texas Commission on Environmental Quality
Air Grants Division, MC-204
P.O. Box 13087
Austin, TX 78711-3087

10.2 The PERFORMING PARTY is responsible for fully and accurately completing the Request for Reimbursement form. The PERFORMING PARTY will receive its reimbursement payment in the form of a check sent by Wilmington Trust, N.A., as Disburser. All payments will be sent to the PERFORMING PARTY by the Wilmington Trust, N.A, at the direction of TCEQ. Neither TCEQ nor Wilmington Trust, N.A. is liable for any inaccurate or incomplete information provided by the PERFORMING PARTY. The PERFORMING PARTY is responsible for any additional costs or fees related to correcting any inaccurate information provided by the PERFORMING PARTY, including any tax penalties or fees resulting from inaccurate information.

10.3 The PERFORMING PARTY will indicate on the Request for Reimbursement whether any additional financial incentives have been received, or are expected to be received, by the PERFORMING PARTY that offsets the Grant Activity costs, including tax credits or deductions, other grants, or any other public financial assistance.

10.4 Except as provided for under Subsection 10.6 below, to be eligible for reimbursement under this Contract, a cost must have been incurred and paid by the Purchase Expiration Date and prior to claiming reimbursement from TCEQ. A cost may not be considered incurred until the Grant Equipment and/or goods and services included under the cost have been received and accepted by the PERFORMING PARTY. The cost must have been paid by the PERFORMING PARTY prior to claiming reimbursement.

Project Costs

10.5 The TCEQ will direct the Disburser to reimburse the PERFORMING PARTY for no more than the amount specified for each Activity in the Scope of Work. This amount may be adjusted downward in accordance with the Contract.

10.6 If the PERFORMING PARTY has paid eligible expenses that are equal to or greater than the grant amount with cash-on hand, the reimbursement may be paid directly to the PERFORMING PARTY. In the event the PERFORMING PARTY finances the Grant Equipment, TCEQ may not pay the PERFORMING PARTY directly unless the PERFORMING PARTY has paid an amount equal to or greater than the grant amount; however, the payment may be assigned directly to the financing company. Supporting documentation must be submitted to establish that the goods or services were received, and that the payment amount is owed to the financing company indicated by the PERFORMING PARTY.

10.6.1. If an assignment is requested, the PERFORMING PARTY must complete the Assignment Request and Acceptance section of the Request for Reimbursement.

10.7 A final Request for Reimbursement Form, indicating in the appropriate box that it is the final request, must be submitted to the TCEQ by no later than forty-five (45) days after the Purchase Expiration Date.

10.8 All Request for Reimbursement forms must clearly detail and document the costs incurred (or obligated under a financing agreement) and paid. TCEQ will review the Request for Reimbursement form and supporting documentation to determine the eligibility of a particular cost. Supporting documentation materials, as directed by the TCEQ in the instructions accompanying the forms, shall be attached to the report forms to clearly show that the cost was incurred and, except where the payment is assigned to another entity, paid.

10.9 Unless otherwise approved by the TCEQ, all work on the Grant Equipment must be completed and the Grant Equipment operational and delivered in final form before reimbursement will be made on an Activity. The invoices and payment documents provided by the PERFORMING PARTY to support the reimbursement request must document that all work is completed, and the Grant Equipment is operational.

Replacement, Repower, and On-Site Infrastructure Project Costs

10.10 For replacement, repower, and on-site infrastructure projects, the TCEQ will reimburse the PERFORMING PARTY for no more than the eligible amount for the purchase of the replacement vehicle or equipment as specified in the RFGA.

Purchase/Payment Documents

10.11 In accordance with the terms of this Contract, for any purchase, deferred payment purchase, or other commercial financing arrangement, the PERFORMING PARTY must submit any supporting documentation required or requested by TCEQ. To receive payment for each Request for Reimbursement, and allow for any subsequent audit, the PERFORMING PARTY is specifically required to submit the following supporting documents:

10.11.1 canceled checks or wire transfers;
10.11.2 written purchase and commercial financing agreements;
10.11.3 Bills of Sale or Receipts for Delivery;
10.11.4 for deferred payment purchases, statements of account status showing the account in good standing and the equipment is in possession of the PERFORMING PARTY;
10.11.5 Uniform Commercial Code (UCC) Financing Statement (Form UCC1) filing, if applicable. (The UCC allows a creditor to notify other creditors about a debtor's assets used as collateral for a secured transaction by filing a public notice (financing statement) with a particular filing office.); and
10.11.6 other documentation requested by TCEQ to support the Request for Reimbursement.

10.12 The TCEQ may waive the requirement for submission of any supporting documents that are not applicable to the PERFORMING PARTY.

10.13 If the Request for Reimbursement does not satisfactorily demonstrate the accomplishment of the required tasks, or that costs are allowable, eligible, actual, and incurred costs, the TCEQ may reject the request, until the deficiencies have been corrected. Satisfactory accomplishment of a task is within the judgment of the TCEQ; however, such judgment must be reasonable.

10.14 The TCEQ is not obligated to direct the Disburser to make payment until the Request for Reimbursement is approved by the TCEQ. Payments may be suspended or withheld in all or part as authorized by the Contract.

ARTICLE 11. RELEASE OF CLAIMS

The final Request for Reimbursement must include a signed Release of Claims. The Release of Claims will be for the benefit of TCEQ and the Disburser, and the PERFORMING PARTY will release all claims for payment of any funds due and payable, pending PERFORMING PARTY'S receipt of the funds from the Disburser for the final Request for Reimbursement.

ARTICLE 12. PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: GENERAL

12.1 All Grant Activities for which reimbursement is requested must be completed as set forth in the Scope of Work.

12.2 The Grant Equipment is listed in the Scope of Work. For on-road vehicle and non-road equipment replacement projects only, PERFORMING PARTY may substitute a replacement vehicle and/or engine for the unit listed in the Scope of Work; provided that the substitute unit meets all eligibility and other requirements, is certified to the same or better NO_x emission standard or family emission limit (FEL) and will result in the same or better NO_X emissions reductions as the unit listed. Any substitution is subject to review and approval by TCEQ. For other project types and categories, PERFORMING PARTY may not substitute different Grant Equipment for the units listed in the approved Application without approval from the TCEQ.

12.3 The PERFORMING PARTY agrees to continuously own, or otherwise commercially finance the Grant Equipment; continuously maintain registration of the Grant Equipment in Texas; and operate the Grant Equipment in Texas for the specified Activity Life, regardless of the financing arrangements used for the purchase of the Grant Equipment, and subject to the more specific provisions contained in Article 14 of the General Conditions of this Contract.

Professional Quality

12.4 The PERFORMING PARTY shall be responsible for the professional quality, technical accuracy, timely completion and the coordination of all Grant Activities under this Contract.

Supervision and Superintendence

12.5 The PERFORMING PARTY is responsible for the supervision, inspection and direction of the Grant Activities in a competent and efficient manner, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Grant Activities in accordance with the Contract Documents. The PERFORMING PARTY shall be solely responsible for the means, methods, techniques, sequences, and procedures of the Grant Activities. The PERFORMING PARTY agrees to completely implement the Grant Activities in accordance with the Contract.

Materials & Equipment

12.6 Unless otherwise specified in the Contract, the PERFORMING PARTY will assume full responsibility for all materials, equipment, labor, transportation, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the implementation and completion of the Grant Activities.

12.7 Unless otherwise expressly agreed by the TCEQ, all Grant Equipment will be of good quality and as provided in the Contract Documents. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned, and maintained in accordance with instructions of the applicable manufacturer and supplier.

12.8 The PERFORMING PARTY agrees to maintain the Grant Equipment as necessary to keep the Grant Equipment in good condition and functioning at Optimum Performance during the Activity Life. Failure to maintain the Grant Equipment as necessary to achieve the required Annual Usage shall constitute a material breach of this Contract.

12.9 The PERFORMING PARTY agrees that the emissions reductions generated by each activity over the Activity Life may not be used for credit under any state or federal emissions reduction credit averaging, banking, or trading program. Emissions reductions generated may not be used as a marketable emissions reduction credit and may be used to demonstrate conformity with the state implementation plan. PERFORMING PARTY agrees that any marketable credits generated by emissions reduction measures are transferred to the TCEQ, and that the reductions are permanently retired. The PERFORMING PARTY may not combine with this grant funding from other incentive programs that require transfer of the emissions reductions to that other program.

ARTICLE 13. PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: INSURANCE, REPAIR, AND REPLACEMENT

13.1 Unless otherwise expressly agreed by the TCEQ, the PERFORMING PARTY must obtain and maintain a policy of insurance for the Activity Life which is sufficient to provide for replacement of Grant Equipment which is lost, stolen, or irreparably damaged. Governmental entities may use an established self-insurance program to satisfy this requirement. If requested by the TCEQ, the PERFORMING PARTY shall provide proof of insurance coverage. The TCEQ may approve alternative forms of insurance to comply with this requirement, including evidence of self-insurance. The TCEQ may also waive this requirement, at its sole discretion, for certain types of entities. Previously submitted certificates of insurance coverage may be amended to reflect newly extended coverage. A failure to comply with this requirement is considered a material breach of the Contract.

13.2 Upon the occurrence of a repairable malfunction of or damage to Grant Equipment which affects emissions reductions during the Activity Life, the PERFORMING PARTY will repair and restore the Grant Equipment to the level of Optimum Performance.

13.3 Upon the occurrence of loss, theft, or irreparable damage of Grant Equipment during the Activity Life, the PERFORMING PARTY will replace the lost, stolen, or damaged Grant Equipment with similar equipment which achieves the same Optimum Performance or better. The replacement Grant Equipment must be in operation no later than 60 consecutive days from the occurrence of loss, theft, or damage, unless the TCEQ expressly agrees to a longer period. Replacement Grant Equipment must meet all eligibility requirements applicable to the original Grant Equipment and is subject to all the requirements applicable to Grant Equipment contained in this Contract.

13.4 The PERFORMING PARTY shall fully comply with all requirements of any agreements with third parties that have a security interest or similar interest in the Grant Equipment. Repossession, seizure, or any other event where the PERFORMING PARTY loses possession of the Grant Equipment shall be considered a material breach of this Contract and shall require the return of grant funds.

ARTICLE 14. PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: GRANT ACTIVITIES

14.1 The emissions reduction benefit supporting the award of this grant is based upon the PERFORMING PARTY's successful performance of the Grant Activities as detailed in the Scope of Work.

14.2 The PERFORMING PARTY agrees that if the usage of the Grant Equipment does not meet the requirements listed in the Scope of Work, the PERFORMING PARTY will return the grant funds to the State Trust.

> 14.2.1 The determination of whether return of funds is required will be primarily based on whether the Grant Equipment is used and maintained in the manner and area specified in the Scope of Work during the Activity Life.

14.3 State law and TCEQ policy require that TCEQ remain in contractual privity with the entity operating the Grant Equipment. TCEQ must retain the ability to enforce until after the Activity Life of this Contract. Any act by the PERFORMING PARTY that impairs the TCEQ's ability to enforce the Contract, including sale of the Grant Equipment, transfer of the Grant Equipment, loss of the Grant Equipment, sale of the PERFORMING PARTY's business interests, or liquidation of the PERFORMING PARTY's assets (including the Grant Equipment), shall constitute a material breach of this Contract and shall require the return of grant funds.

> 14.3.1 The decision by TCEQ on whether to require return of grant funds may include consideration of whether the Grant Equipment will continue to be used in a manner consistent with the Scope of Work. If TCEQ, in its sole discretion, allows the assignment of this Contract, the PERFORMING PARTY and proposed assignee will be required to enter a TCEQ Consent to Assignment agreement that shall include the assignee's obligation to accept this Contract and to continue to use the Grant Equipment subject to the terms of this Contract.

14.4 If the PERFORMING PARTY is required to return grant funds, the TCEQ, at its sole discretion, may allow for the return of a pro-rated share of the reimbursement funds reflecting a partial failure to perform the requirements of the Scope of Work. This determination shall depend on factors including, but not limited to, use of the Grant Equipment in a manner that maintained overall program eligibility, full completion of reimbursement and equipment disposition requirements, the PERFORMING PARTY's good-faith efforts to perform the Grant Activities during the Activity Life, and the PERFORMING PARTY's compliance with notification requirements of this Contract (i.e., notification before sale of equipment).

ARTICLE 15. PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: PROJECT STATUS, AND LONG-TERM MONITORING

15.1 As a condition of receiving grant funds, the PERFORMING PARTY agrees to maintain and operate the Grant Equipment as specified in the Scope of Work for the Activity Life of this Contract.

15.2 If requested by the TCEQ during a periodic review, the PERFORMING PARTY shall provide information on the status and completion of Grant Activities. The PERFORMING PARTY shall provide such information on the form or in a format requested by the TCEQ, and within a reasonable time frame as may be requested by the TCEQ.

15.3 The PERFORMING PARTY agrees that failure to comply with the Scope of Work during the Activity Life and/or submitting documents with false, incorrect, or incomplete information constitutes a material breach of this Contract and may require a return of the grant funds.

ARTICLE 16. PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: DISPOSITION OF REPLACED VEHICLES AND ENGINES

16.1 The PERFORMING PARTY agrees to dispose of the vehicles, equipment, and engines being replaced by complete destruction or otherwise rendering them permanently inoperable. This may be performed by complete crushing of the vehicle and engine or putting a 3-inch or larger hole through the engine block on both sides (or otherwise destroying it) and cutting both frame rails in half. The structural damage to the vehicle or equipment must be such that repairs are not possible.

16.2 The PERFORMING PARTY shall verify the final disposition of the vehicles and engines replaced under this Contract on the TCEQ-provided form. The PERFORMING PARTY must submit a copy of a Texas Nonrepairable Vehicle Title issued by the Texas Department of Motor Vehicles (TxDMV) for the on-road vehicle(s) replaced under this Contract. The Texas Nonrepairable Vehicle Title must be submitted to the TCEQ simultaneously with the required disposition documentation. The final disposition forms shall be submitted prior to or with the Request for Reimbursement.

16.3 The PERFORMING PARTY must submit photographs of the vehicles and engines being destroyed, both before and after the vehicles, equipment, and/or engines are destroyed or rendered inoperable. The TCEQ must approve the forms and supplemental documentation submitted by the PERFORMING PARTY to meet the disposition requirement. Such approval is at the sole discretion of TCEQ. The PERFORMING PARTY shall provide TCEQ with any clarification and additional documentation as requested by TCEQ to approve disposition.

16.4 The PERFORMING PARTY agrees that failure to properly destroy and render permanently inoperable a vehicle or engine replaced under this Contract will result in non-payment of the grant funds. This Article shall also apply to a failure to provide properly completed documentation of final disposition of equipment as required by this Contract.

Credit for Replaced Vehicles Or Equipment

16.5 In determining the expenses eligible for reimbursement under this Contract, the cost of replacement or repower activities shall be reduced by the value of any credit or other financial compensation received by the PERFORMING PARTY for the sale or trade-in of the destroyed vehicles, equipment, or engines being replaced, including, the parts from those vehicles, equipment, or engines, for the sale of the scrapped vehicles, equipment, engines being replaced, trade-in of engines for remanufacture, or insurance proceeds.

16.6 For on-road vehicle and non-road equipment replacement activities, the TCEQ may use a default scrappage value of $1,000 in lieu of the actual value and in lieu of the PERFORMING PARTY reporting the value to the TCEQ. For activities involving the repower of heavy-duty equipment the default scrappage value is $250.

16.7 If TCEQ does not use the above default scrappage values, the **actual** scrappage value or other value received for the old vehicle, equipment, or engine is considered a cost of performing the Grant Activities and as such must satisfy the cost guidelines of this Contract. The value received for the vehicle or equipment being replaced must be the result of arms-length bargaining with the entity disposing of the replaced vehicle or equipment and must reflect actual market value.

ARTICLE 17. PERFORMING PARTY'S RESPONSIBILITIES: ADMINISTRATIVE REQUIREMENTS

Access to Records, Grant Equipment, and Vehicles, Equipment, and Engines Being Replaced

17.1 State Auditor's Office. The PERFORMING PARTY understands that acceptance of funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit on investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the State Auditor's Office must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The PERFORMING PARTY further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. The PERFORMING PARTY will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the PERFORMING PARTY and the requirement to cooperate is included in any subcontract it awards under this Contract. The PERFORMING PARTY will include in all subcontracts for work under this Contract a requirement that subcontractors will provide access to all relevant financial records including bank statements.

17.2 The PERFORMING PARTY shall allow access to all Grant Equipment by the TCEQ, the State of Texas, the State Auditor's Office, and any of their authorized representatives for the purpose of review, on-site inspection, and/or audit. In addition, the PERFORMING PARTY shall allow access to all vehicles, equipment, and engines being replaced under this Contract.

Maintenance of Records

17.3 The PERFORMING PARTY shall maintain books, records, documents, and other evidence reasonably pertinent to performance of the Grant Activities and requirements of the Contract, including this Contract and any amendments. All financial records will be maintained in accordance with generally accepted accounting principles, the UGMS, and this Contract. The PERFORMING PARTY shall also maintain the financial information and data used in the preparation or support of any request for reimbursement (direct and indirect), price or profit analysis for this Contract, and a copy of any cost information or analysis submitted to the TCEQ. The PERFORMING PARTY shall allow access to all the material including bank statements and records by the TCEQ, the State of Texas, the State Auditor's Office, and any of their authorized representatives for the purpose of review, inspection, audit, excerpts, transcriptions, and/or copying during normal business hours. The PERFORMING PARTY shall provide appropriate facilities and equipment for such access and inspection.

17.4 The PERFORMING PARTY agrees to the disclosure of all information and reports resulting from access to records under this Contract.

17.5 Records under this Article shall be maintained by the PERFORMING PARTY during performance of Grant Activities under this Contract and for three (3) years after the Activity Life of equipment under this Contract. If any litigation, claim, negotiation, audit, cost recovery, or other action (including actions concerning costs of items to which an audit exception has been taken) involving such records has been started before the expiration of the three year period, such records must be retained until completion of the action or resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later.

17.6 Subject to the obligations and conditions set forth in this Contract, title to Grant Equipment (hereafter referred to in this Article as "property") acquired under this Contract by the PERFORMING PARTY will vest upon acquisition in the PERFORMING PARTY.

17.7 The PERFORMING PARTY may develop and use its own property management system, which must comply with all applicable federal, state, and local laws, rules, and regulations. The property management system used by the PERFORMING PARTY must meet the requirements set forth in this Article.

> 17.7.1 Property records of Grant Equipment must be maintained that include a description of the property; a serial number or other identification number; the source of property; usage and mileage (separated by location of usage and mileage); who holds title; the acquisition date; the cost of the property; percentage of TCEQ participation in the cost of the property; the location, use and condition of the property; and any ultimate disposition data including the date of disposal and sale price of the property.
>
> 17.7.2 The PERFORMING PARTY will conduct a physical inventory of all Grant Equipment no less frequently than once every two years during the Activity Life and reconcile the results of such inventories with the appropriate property records. Property control procedures utilized by the

PERFORMING PARTY must include adequate safeguards to prevent loss, damage, or theft of the Grant Equipment.

Accounting Systems

17.8 The PERFORMING PARTY shall have an accounting system which accounts for costs in accordance with generally accepted accounting standards or principles and complies in all material respects with applicable State law, regulations, and policies relating to accounting standards or principles. The PERFORMING PARTY must account for costs in a manner consistent with such standards or principles. This system shall provide for the identification, accumulation, and segregation of allowable and unallowable costs among projects.

PERFORMING PARTY's Representative

17.9 The PERFORMING PARTY will identify in writing a Project Representative as the person authorized to receive and respond to inquiries and requests from the TCEQ, to manage the Grant Activities being performed, and to act on behalf of the PERFORMING PARTY.

17.10 The PERFORMING PARTY agrees to ensure that its authorized Project Representative, or someone to whom that person has delegated his or her authority, is available during regular business hours for consultation with the TCEQ. Written notice of any such delegation will be provided to the TCEQ.

Personnel

17.11 PERFORMING PARTY shall provide competent, suitably qualified personnel, whether employees or contractors to implement the Grant Activities as required by the Contract Documents. The PERFORMING PARTY must always maintain good discipline and order on the location of Grant Activities.

Permits

17.12 Unless otherwise provided in the Contract Documents, the PERFORMING PARTY shall obtain and pay for all transportation, construction, and operating permits and licenses required for performance of this Contract. Failure to comply with a permit or administrative order issued by the TCEQ or other state agency may result in a determination, within the sole discretion of the TCEQ, that the best interests of the state are served by withholding reimbursement or by the application of other remedies under this Contract.

Laws and Regulations

17.13 The PERFORMING PARTY shall give all notices and comply in all material respects with all Laws and Regulations applicable to furnishing and performance of the Grant Activities. Except where otherwise expressly required by applicable Laws and Regulations, TCEQ shall not be responsible for monitoring PERFORMING PARTY's compliance with any Laws or Regulations.

Data and Publicity

17.14 All data and other information developed under this Contract shall be furnished, upon request, to the TCEQ and shall be public data and information except to the extent that it is exempted from public access by the Texas Public Information Act, Texas Government Code, Chapter 552. Upon termination of this Contract, if requested by the TCEQ, all copies of data and information developed under this Contract, including databases for which the costs of preparation are reimbursed under this Contract, shall be furnished at no charge to the TCEQ, and shall become the property of the TCEQ.

17.15 The PERFORMING PARTY agrees to notify TCEQ prior to releasing any information to the news media regarding the Grant Activities. The PERFORMING PARTY will acknowledge the financial support of the TCEQ whenever a Grant Activity reimbursed, in whole or part, is publicized or reported in news media or publications.

Safety and Protection

17.16 Where applicable, the PERFORMING PARTY shall be responsible for requiring employees, contractors, and subcontractors to maintain and supervise all necessary safety precautions and programs in connection with the Grant Activities. The PERFORMING PARTY shall take all necessary safety precautions.

17.17 In performing the Grant Activities hereunder, the PERFORMING PARTY undertakes performance for its own benefit and not as agent for the TCEQ.

Lobbying Activities

17.18 As set forth in these Contract Documents, and in accordance with the UGMS and State law, the PERFORMING PARTY shall not use funds provided under this Contract to support lobbying or political activity either directly or indirectly.

ARTICLE 18. TCEQ'S RESPONSIBILITIES

18.1 The Executive Director of the TCEQ will identify a person authorized to give direction to the PERFORMING PARTY and act on behalf of the TCEQ.

18.2 The TCEQ will not supervise, direct or have control or authority over, nor be responsible for, PERFORMING PARTY's means, methods, techniques, sequences or procedures relating to the implementation project or the Safety precautions and programs incident thereto, or for any failure of PERFORMING PARTY to comply with Laws and Regulations applicable to the furnishing or performance of the Scope of Work. TCEQ will not be responsible for PERFORMING PARTY's failure to perform or furnish the Scope of Work in accordance with the Contract.

18.3 The TCEQ shall authorize the payment of reimbursement funds from the State Trust for Grant Activities specified in the Scope of Work and performed in accordance with the requirements of this Contract.

ARTICLE 19. TERMINATION

19.1 Termination of this Contract under any circumstances shall not constitute a waiver of any rights or remedies that TCEQ may exercise under this Contract or otherwise as provided by law.

19.2 This Contract may be terminated in whole or in part by the TCEQ for cause, including a material failure to comply with the requirements of the Contract Documents. The TCEQ will provide written notice (delivered by certified mail, return receipt requested) of intent to terminate. The PERFORMING PARTY shall have twenty (20) calendar days from the date such notice is sent to cure performance deficiencies.

19.3 This Contract may be terminated in whole or part by the TCEQ if any delay or failure of performance of the Grant Activities occurs by either PERFORMING PARTY or by the TCEQ due to a force majeure event. Neither PERFORMING PARTY nor TCEQ shall be liable to the other for any delay in, or failure of performance, of any requirement included in the Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided that the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Force majeure does not include ordinary delays that are common to the industry or location. Each party must inform the other in writing, with proof of receipt, within three (3) business days of the existence of such force majeure, or otherwise waive this right as a defense.

19.4 This Contract may be terminated in whole or in part by the TCEQ for its convenience. This includes without limitation the Trustee's denial of a request for funds, which results in the unavailability of funds to complete this project. To the extent feasible, in the sole discretion of the TCEQ, the TCEQ will provide a minimum of ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate.

19.5 If after termination for the PERFORMING PARTY's material failure to comply with the requirements of the Contract Documents, it is determined that the PERFORMING PARTY had not so failed, the termination shall be deemed to have been affected for the convenience of the TCEQ.

19.6 In accordance with this Contract, the PERFORMING PARTY does not have an expectation or entitlement of continued receipt of financial assistance under this Contract. Therefore, PERFORMING PARTY waives any claim for damages arising from or resulting from TCEQ's termination of this Contract for any reason.

19.7 If, during the performance of the Grant Activities, the PERFORMING PARTY chooses to not complete the Grant Activities and withdraw from the obligations under this Contract, the PERFORMING PARTY may terminate this Contract by providing ten (10) days written notice to the TCEQ and returning any reimbursements already received to the Trustee of the State Trust.

19.8 The PERFORMING PARTY acknowledges that certain requirements of this Contract shall survive an event of termination. The PERFORMING PARTY agrees to performance of Grant Activities in accordance with the Contract Documents beyond the Contract Period and through the end of the Activity Life of each Activity included in the Scope of Work for which reimbursement has been requested. TCEQ reserves the right to assert any remedies available by law and under this Contract for PERFORMING PARTY's performance of the Grant Activities for the length of the Activity Life of all Grant Activities.

ARTICLE 20. REMEDIES AVAILABLE TO THE TCEQ

20.1. The following Schedule of Remedies applies in the event of any breach of the requirements of this Contract; including the substandard performance of Grant Activities or other failure, material or otherwise, to conform to the requirements of the Contract or applicable law:

- 20.1.1 Issue notice of substandard performance or other non-conforming act or omission;
- 20.1.2 Reject substandard performance and request corrections without charge to the TCEQ;
- 20.1.3 Request and receive return to State Trust of any over payments or inappropriate payments;
- 20.1.4 Reject reimbursement request and suspend all or part of any payment, pending accepted revision of substandard performance or non-conformity;
- 20.1.6 Suspend all or part of the Scope of Work and/or payments pending accepted revision of substandard performance or non-conformity;
- 20.1.7 Terminate the Contract and demand and receive return to State Trust of all unexpended funds and any improperly expended funds;
- 20.1.8 Demand restitution and return to State Trust of any payments where performance is subsequently determined non-conforming; or
- 20.1.9 Require payment of liquidated damages to the State Trust.

20.2. ***Liquidated Damages.*** The parties agree that the actual damages that may be sustained by TCEQ or the State Trust due to the PERFORMING PARTY breaching its obligations under this Contract are uncertain and difficult to ascertain. Therefore, the parties agree that reasonable compensation for such breach will be the sum of the total of grant funds paid from the State Trust, reduced by the percentage of the total Activity Life that the PERFORMING PARTY met prior to the breach. Determination of timely and accurate documentation supporting the PERFORMING PARTY's activity is in the sole discretion of TCEQ. The PERFORMING PARTY hereby promises to pay to the State Trust, such sum as liquidated damages, and not as a penalty, in the event of such breach.

20.3. ***Cumulative Remedies.*** TCEQ may avail itself of any remedy or sanction provided in this Contract or in law to recover any losses arising from or caused by the PERFORMING PARTY's substandard performance or any material non-conformity with the Contract or the law. The remedies and sanctions available to either party in this Contract shall not limit the remedies available to the parties under law.

ARTICLE 21. INDEMNIFICATION

21.1 To the extent permitted by law, the PERFORMING PARTY agrees to indemnify and hold harmless the State of Texas and the TCEQ, including its employees and officers, against and from any and all liability, loss, or damage arising out of actions of the PERFORMING PARTY, its subcontractors, agents, officers and directors, principals and employees in the performance of this Contract.

21.2 This paragraph is not intended and shall not be construed to require the PERFORMING PARTY to indemnify or hold harmless the State or the TCEQ for any claims or liabilities resulting from the negligent acts or omissions of the TCEQ or its employees.

ARTICLE 22. AMENDING AND SUPPLEMENTING CONTRACT DOCUMENTS

The Contract Documents may be amended to provide for additions, deletions, and revisions in the Scope of Work or to modify the terms and conditions of this Contract in one or more of the following ways: a formal Written Amendment or a Minor Change.

ARTICLE 23. STANDARDS FOR PERFORMING PARTY'S PERFORMANCE

23.1 The PERFORMING PARTY agrees that the standards set forth below are appropriate standards for the PERFORMING PARTY's performance during the Contract.

- 23.1.1 Quality and Accuracy. Standard: The PERFORMING PARTY's Grant Activities conform to the requirements of this Contract.
- 23.1.2 Timeliness. Standard: The PERFORMING PARTY's Grant Activities are completed on schedule.

23.1.3 Reports and Administrative and Financial Operations. Standard: The PERFORMING PARTY's administrative and financial operations comply with all obligations in law and in this Contract, including record-keeping, reimbursement requests, audits, allowable costs, payments to subcontractors, and restricted expenditures.

23.1.4 Communication. Standard: The PERFORMING PARTY's accessibility, responsiveness, and cooperativeness with respect to any contract-related concerns communicated by the TCEQ; and including the PERFORMING PARTY's demonstrated relationship with subcontractors.

23.1.5 Other. Standard: Other factors unique to the type of project, as determined by the TCEQ.

23.2 The TCEQ will monitor the PERFORMING PARTY's performance and evaluate the level of compliance with the standards utilizing the performance measures set forth below.

23.2.1 Exceeds Expectations. The PERFORMING PARTY fully complied with all the standards on a consistent basis.

23.2.2 Satisfactory Performance. The PERFORMING PARTY's performance complied with all of the standards, with only typical errors, delays, or other problems that needed to be corrected.

23.2.3 Marginal Performance. The PERFORMING PARTY's performance was acceptable, although a significant number of deficiencies had to be corrected before the contract requirements could be considered met.

23.2.4 Unsatisfactory Performance. The PERFORMING PARTY's performance was not acceptable, even after attempts to correct deficiencies.

Performance Evaluation

23.3 The TCEQ may prepare a written evaluation of the performance of the PERFORMING PARTY upon the completion of the Activity Life, or more frequently, as deemed necessary by the TCEQ. A copy of the evaluation will be provided to the PERFORMING PARTY and a copy retained in the TCEQ's contract files. The content of the evaluation shall be wholly within the sole discretion of the TCEQ. The PERFORMING PARTY may provide a written statement which explains or disagrees with the evaluation, which will be incorporated into the evaluation. The PERFORMING PARTY waives any claim for damages against TCEQ for the evaluation.

23.4 The performance rating on the contractor evaluations may be considered by the TCEQ in evaluating an application from the PEFORMING PARTY for additional funding under this program. The PERFORMING PARTY understands that a rating of marginal or unsatisfactory performance may have a negative impact on decisions regarding funding for additional projects applied for by the PERFORMING PARTY.

ARTICLE 24. MISCELLANEOUS

24.1 Any notice issued pursuant to this Contract shall be addressed to the respective party's Authorized Project Representative, or to such other address as they have theretofore specified by written notice. Such notices shall be sent by certified or registered mail or shall be delivered in hand and a receipt provided thereof. Any notice or other written communication shall be considered delivered upon date of receipt.

24.2 For this Contract to be effective, an authorized principal of a corporation, an unincorporated business organization, or association must sign the Contract. An agent signing for a corporation must be authorized to sign by the corporation.

24.3 Unless authorized in writing by the TCEQ in accordance with this Contract, no waiver of any obligation of the PERFORMING PARTY shall bind the TCEQ. Any such authorized waiver shall not constitute a continuing waiver of the obligation.

24.4 The PERFORMING PARTY is not a "vendor" of goods and services within the meaning of Texas Government Code, Chapter 2251. Therefore, the provisions for interest on payments under that statute do not apply to this Contract.

24.5 When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a State of Texas or federal holiday, such day will be omitted from the computation.

24.6 A calendar day of twenty-four (24) hours measured from midnight to the next midnight will constitute a day.

24.7 By stating at any place in this Contract that any particular non-compliance is a material breach, TCEQ does not limit the acts or omissions which may constitute a material breach.

24.8 The parties to this Contract expressly agree that time is of the essence of this Contract.

24.9 The terms include, included, including, includes, when used in this Contract shall mean "includes but not limited to."

24.10 Notice of Claim. Should the TCEQ or the PERFORMING PARTY suffer injury or damage to person or property because of any error, omission or act of the other party or of any of the other party's employees or agents or others for whose acts the other party is legally liable, claim will be made in writing to the other party within a reasonable time of the first observance of such injury or damage. The provisions of this paragraph shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitations or repose or sovereign immunity.

24.11 All representations, indemnifications, warranties and guarantees made in, required by or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion and acceptance of the Grant Activities and termination or completion of the Contract until such time as enforcement of such representations, indemnifications, warranties and guarantees is barred by the applicable statute of limitations.

24.12 No delegation of the obligations, rights, or interests in this Contract, and no assignment of payments by the PERFORMING PARTY will be binding on the TCEQ without its written consent, except as restricted by law. No assignment will release or discharge the PERFORMING PARTY from any duty or responsibility under the Contract.

24.13 Subject to the provisions of Article 14, General Conditions PERFORMING PARTY'S RESPONSIBILITIES TO THE TCEQ: GRANT ACTIVITIES, Subsection 14.3, the TCEQ and the PERFORMING PARTY each binds itself, its successors, assigns and agents to the other party hereto, successors, assigns and representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

24.14 The parties hereby agree that this Contract does not waive the State's sovereign immunity relating to suit, liability, and the payment of damages. No TCEQ personnel or agents are authorized to waive sovereign immunity by accepting, on behalf of TCEQ, goods or services which are not required under the Contract Documents or any conforming amendment. The parties further agree that all claims, suits, or obligations arising under or related to this Contract are subject to and limited to the availability of funds appropriated by the Texas Legislature for that respective claim, suit, or obligation.

24.15 The PERFORMING PARTY acknowledges and agrees that this Contract has been executed, and will be administered in Travis County, Texas. The PERFORMING PARTY also acknowledges and agrees that any permissible cause of action involving this Contract will arise solely in Travis County. This provision does not waive the TCEQ's sovereign immunity.

24.16 Any provision of the Contract Documents held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon TCEQ and PERFORMING PARTY. The parties agree that the Contract Documents will be reformed to replace a stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

24.17 Bankruptcy. If the PERFORMING PARTY files for bankruptcy, the PERFORMING PARTY shall immediately notify TCEQ in writing according to the Notice provisions AND send notification by certified mail directly to TCEQ Bankruptcy Program. The PERFORMING PARTY shall place TCEQ on the distribution list for bankruptcy court documents. The PERFORMING PARTY's notice to the bankruptcy program must include the appropriate contract number(s).

— End of General Conditions —

AUTHORIZED REPRESENTATIVES/LOCATION OF RECORDS

TCEQ Project Representative
The individual named below is the TCEQ Project Representative, who is authorized to give and receive communications and directions on behalf of the TCEQ. All communications including all payment requests must be addressed to the TCEQ Project Representative or his or her designee.

Mailing Address:
Mr. Nate Hickman
Air Grants Division, MC-204
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Physical Address:
Mr. Nate Hickman
Air Grants Division, MC-204
Texas Commission on Environmental Quality
12100 Park 35 Circle, Bldg. F
Austin, TX 78753

Telephone No.: (512) 239-4434
Facsimile No.: (512) 239-6161

PERFORMING PARTY's Authorized Official
The individual authorized to sign legal documents on behalf of the PERFORMING PARTY.

Mailing Address:
Mr. Robert S. Hauck
City of Tomball
401 Market Street
Tomball, Texas 77375

Physical Address:
Mr. Robert S. Hauck
City of Tomball
501 James Street
Tomball, Texas 77375

Telephone No.: (281) 290-1004

PERFORMING PARTY's Project Representative
The individual named in the original Application is the PERFORMING PARTY Project Representative, who is authorized to give and receive communications and directions on behalf of the PERFORMING PARTY. All communications to the PERFORMING PARTY will be addressed to the PERFORMING PARTY Project Representative or his or her designee.

Mailing Address:
Ms. Beth Jones
City of Tomball
501 James Street
Tomball, Texas 77375

Physical Address:
Ms. Beth Jones
City of Tomball
501 James Street
Tomball, Texas 77375

Telephone No.: (281) 290-1466

The PERFORMING PARTY agrees to make arrangements necessary to ensure that its authorized Project Representative, or someone to whom that person has delegated his or her authority, is available during business hours for consultation with the TCEQ. Written notice of any such delegation will be provided to the TCEQ.

Designated Location for Records Access and Review
The PERFORMING PARTY designates the physical location identified in the original Application for record access and review pursuant to any applicable provision of this Contract.

— End of Authorized Representatives/Location of Records —

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SPECIAL CONDITIONS

for

Texas Volkswagen Environmental Mitigation Program
Replacement and Repower Activities

ARTICLE 1. SPECIAL CONDITIONS

The PERFORMING PARTY agrees to these Special Conditions.

{This Article is not applicable to this project. The Article number is retained for numbering continuity.}

— End of Special Conditions —

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SCOPE OF WORK

for

Texas Volkswagen Environmental Mitigation Program (TxVEMP)

Freight Replacement Project

The following Scope of Work contains information on each Grant Activity to be conducted and the expenses that will be reimbursed under this Contract. The information and data provided in the original Application submitted by the PERFORMING PARTY may have been altered after submittal to the TCEQ, to ensure that the information in the Contract is accurate. The PERFORMING PARTY has reviewed the Scope of Work and, by signing this Contract, ratifies, adopts, and agrees to all such alterations.

ARTICLE 1. ACTIVITY NUMBERS

1.1. The Project under this Contract is assigned the following project number 2020-22-0045-VW. Each Activity under this Contract is assigned the Activity Number(s) listed in the table below. The PERFORMING PARTY shall use the assigned Activity Number(s) when tracking and reporting to the TCEQ.

Activity Number	Description; Identified by last 4 digits of VIN
001	Replace 1 On-Road Dump Truck, ID:7481

1.2. If the purchase and installation of electric charging or hydrogen fueling infrastructure is included in this project, the Infrastructure Activity under this Contract is assigned the Activity Number(s) in the table below. The PERFORMING PARTY shall use the assigned Activity Number(s) when tracking and reporting to the TCEQ.

Not Applicable

ARTICLE 2. ACTIVITY LIFE

2.1. The duration of the Activity Life for Grant Activities performed under the Contract is 5 years. The Activity Life will commence upon the date of reimbursement unless a different start date is specified in writing by the TCEQ.

2.2. The start and end date of the Activity Life for each Grant Activity will be established by the TCEQ in accordance with Article 1.1, General Conditions of this Contract.

ARTICLE 3. AREAS OF USE

3.1. The PERFORMING PARTY commits to operate the Grant Equipment over the Activity Life at least 51% of its total annual use as measured by annual mileage in the following designated Priority Area.

Priority Area:

Houston/Galveston/Brazoria Area: Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties

3.2. If the purchase and installation of electric charging or hydrogen fueling infrastructure are included in this Project, the Infrastructure Activity location is listed below.

Not Applicable

3.3. Changes to the Priority Area and/or facility location may not be made without prior approval from TCEQ. The PERFORMING PARTY understands that TCEQ will not normally approve Priority Area changes unless acceptance of multiple areas is contemplated in the original grant solicitation. The PERFORMING PARTY agrees to notify the TCEQ of any proposed change to the Priority Area and/or facility location for any of the Activities included under this Contract prior to the change.

ARTICLE 4. ANNUAL USAGE

4.1 The table below contains the approved annual usage amount for each Grant Activity that is used to calculate the NO_x emissions reductions achieved.

Activity Number	Usage Rate	Usage Factor
001	40,000	Miles

4.2 Unless otherwise stated in the Special Conditions of this Contract, the Annual Usage Rates represent the default usage amounts accepted by the TCEQ for calculation of the emissions reductions and successful performance does not require that those usage rates be met. Alternatively, if the TCEQ has determined that the Annual Usage Rates represent a usage commitment that must be met, additional requirements and obligations for operating the Grant Equipment for annual and total usage amounts will be set forth in the Special Conditions.

ARTICLE 5. GRANT EQUIPMENT

5.1. The PERFORMING PARTY agrees to purchase the Grant Equipment listed below and use it as described herein to accomplish the purpose of the grant.

Activity Number	Equipment Description	Equipment Year	Fuel Type	Engine Year	NOx Std Rate (g/bhp-hr)
001	On- Road Dump Truck	2021	Diesel	2021	0.2

5.1.1 The vehicle must be the same vehicle description as stated in the table above.

5.1.2 The vehicle must be manufactured for and intended to be used for the same primary function as the vehicle being replaced.

5.1.3 The model year of the engine installed on the replacement vehicle may not be more than one calendar year prior to the calendar year in which the grant application was submitted.

5.1.4 The engine must have the same fuel type.

5.1.5 The engine must be certified to the same or better NO_x emission standard or family emission limit (FEL).

5.1.6 The vehicle must have the same or similar standard features necessary for performing the primary work for which the vehicle is intended.

5.2. If the purchase and installation of electric charging or hydrogen fueling infrastructure are included in this Project, the Infrastructure Activity listed below:

Not Applicable

5.3. TCEQ must approve any changes to the Grant Equipment that are different from the criteria shown above. If there is a question whether the Grant Equipment is different from the criteria above, TCEQ will make the final determination. If TCEQ approves a change to the Grant Equipment, it must be documented through an Amendment or Minor Change. A copy of the document will be provided to the PERFORMING PARTY.

5.4. Grant Equipment changes must be finalized before the PERFORMING PARTY may submit a Request for Reimbursement. TCEQ will not process a Request for Reimbursement until such changes are made. The PERFORMING PARTY is encouraged to submit a Contract Amendment Request Form for review and approval by the TCEQ of any changes not meeting the eligibility criteria above.

5.5. The PERFORMING PARTY remains responsible for purchasing Grant Equipment that meets all eligibility requirements. The TCEQ is not obligated to accept the change in Grant Equipment if the TCEQ determines that the change does not meet all eligibility requirements.

ARTICLE 6. EQUIPMENT BEING REPLACED

6.1. The PERFORMING PARTY as part of its responsibilities to the TCEQ agrees to replace the following vehicle(s) and complete the disposition of the vehicle being replaced in accordance with Article 16 of the General Conditions:

Activity Number	Equipment Description	Equipment Make	Equipment Model	Equip Year	VIN # (last 4 digits)	Engine Make	Engine Model	Engine Year	Engine ID	NOx Std Rate (g/bhp-hr)
001	Dump Truck	Freightliner	M2-106	2004	7481	Caterpillar	C-7	2004	KAL21990	2.375

ARTICLE 7. ACTIVITY GRANT AMOUNT

7.1. The maximum Grant Amount that may be reimbursed for each Grant Activity is listed below.

Activity Number	Activity Grant Amount
001	$72,284.00

7.2. Regardless of the maximum Activity Grant Amounts, reimbursements are subject to the requirements of Article 9 of the General Conditions of this Contract.

7.3. The maximum Activity Grant Amounts and the percentage of incremental costs may be adjusted downward in accordance with the Contract.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: July 6, 2020

Topic:

Award Purchase of One (1) Peterbilt Dump Truck in the Amount of $128,629.00 to Rush Truck Center, through State Buyboard Cooperative Purchasing Contract

Background:

This purchase is for the replacement of an existing Public Works dump truck that has been flagged for replacement due to age and mechanical issues as recommended by the Public Works Fleet Maintenance Department.

The purchase price for the replacement dump truck is $128,629.00 however the City has received a grant for the TCEQ totaling $72,284.00 making the total commitment from the City $56,345.00, after reimbursement.

As part of the grant requirements, our current dump truck being replaced must be destroyed so that it is unable to be used in the future thus reducing omissions into the environment.

Origination:

Public Works Department

Recommendation:

Public Works staff recommends approval to award the purchase of one (1) dump truck in the amount of $128,629.00, to Rush Truck Center, through the State Buyboard Cooperative Purchasing Contract.

Funding:

Yes

Account Number:650-652-6405

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

Beth Jones, Public Works Department

ACTION TAKEN

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

ATTACHMENTS:

Buyboard Quote - Dump Truck

QUOTE FOR REPLACEMENT

TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE
BUYBOARD

Vendor	*RUSH TRUCK CENTER*	Date Prepared	*4/20/2020*
Contact for Vendor:	*Christopher Garrison*	Phone	(830) 302-5278
End User:	*City of Tomball*		
End User Contact:	***Ryan Parker***	Phone/Fax	*(281) 351-4735*
Product Description:	***Peterbilt 348 Dump***		

A: Base Price in Bid/Proposal Number:	**601-19**	Series:	**348**		$ 67,772.00

B: Published Options(*Itemize Below*)

	DESCRIPTION	AMOUNT	OPT #	DESCRIPTION	AMOUNT
Peterbilt	10 5/8 Frame w/ full liner	$ 1,390.00	Peterbilt	Cab and Equipment	$ 2,802.00
Peterbilt	14.6 Front Axle / springs	$ 1,343.00	Peterbilt	Cabmate Air Susp	$ 1,267.00
Peterbilt	Paccar PX-9 350@2000 GOV@2200	$ 7,001.00	RTC-0003	Dump Body	$ 20,168.00
Peterbilt	40K rears w/ Air Trac/Diff Lock	$ 12,431.00	RTC-0050	Dump Prep Package	$ 3,901.00
Peterbilt	Allison 3000 RDS	$ 11,426.00	RTC-0040	OEM+ Saftey Analysis	$ 1,275.00
Peterbilt	Tires and Wheels	$ 2,670.00			
Subtotal Column 1:	$ 36,261.00		Subtotal Column 2:	$ 29,413.00	
Published Options added to Base Price(*Subtotal of "Col 1" & "Col 2"*)					$ 65,674.00

C: Subtotal of A + B					$ 133,446.00
D: Non Published Options					
Herrera Dump Body	$ (5,967.00)				
Subtotal Column 1: $ (5,967.00)			Subtotal Column 2:	$ -	
Unpublished Options added to Base price (*Subtotal "Col 1 + Col 2"*)					$ (5,967.00)
E: Contract Price Adjustment (*If any, explain here*)					
F: Total of C + D +/- E					$ 127,479.00
G: Quantity ordered Units:	1.00	x F			$ 127,479.00
H: BUYBOARD Administrative Fee					$ 400.00
I: Non-Equipment Charges & Credits (*I.e.: Ext. Warranty, Trade-In, Delivery, etc.*)					
Total Freight	$ 750.00				
					$ 750.00
J: TOTAL PURCHASE PRICE INCLUDING (G+H+I)					$ 128,629.00