

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, MAY 1, 2017
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY MAYOR DAVID PLYLER**
- A. 3. INVOCATION BY MAYOR DAVID PLYLER**
- A. 4. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF APRIL 17, 2017**

Proclamations

- B. 1. PROCLAMATION**
"Economic Development Week" – May 8-13, 2017
- B. 2. PROCLAMATION**
"Motorcycle Safety and Awareness Month" – May 2017
- B. 3. PROCLAMATION**
"Sherman Bike Month" – May 2017

Resolutions

- C. 1. RESOLUTION NO. 6212**
Declaring Support for the Prioritization of Citywide Bicycle Infrastructure Improvements

Public Hearing

- D. 1. PUBLIC HEARING**
Conduct the Second Public Hearing Concerning the Annexation of a 459.6 Acre Tract of Land on Preston Club Drive, Adjacent to the Sherman City Limits and in the City of Sherman's Extra Territorial Jurisdiction
- D. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6025**
Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017"; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Officials; and Providing an Effective Date

Close Public Hearing and Consider Adoption of Ordinances

D. 3. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number: 6025

D. 4. CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

E. 1. RESOLUTION NO. 6213

Authorizing Execution of an Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #5

E. 2. RESOLUTION NO. 6214

Authorizing Execution of an Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #6

E. 3. RESOLUTION NO. 6215

Authorizing the Acceptance of a Conveyance Document from Artemio Cantu and Maria Cantu for the Conveyance of Property located at 1309 Churchill Way, being Lots 22 and 23, Block 2 of Churchill Park Addition to the City of Sherman, Texas, as shown by Plat of Record in Volume 2, Page 92 of the Plat Records of Grayson County, Texas, being more particularly described in the Exhibit "A" attached hereto and made a part hereof for all purposes

E. 4. * RESOLUTION NO. 6216

Awarding a Bid to and Authorizing Execution of an Exclusive Concession Stand License Agreement with Otis Foster, III and Mavis Regina Foster dba Sugar Bear for the Operation of a Concession Stand in Fairview, Hawn, and Rosedale Parks Consistent with Schedules Provided by the Parks and Recreation Department

Change Orders

F. 1. * CHANGE ORDER NO. 1

Solid Waste Cart Barn Construction Project; Jerry Paul Higgins, Ltd.; \$34,839.00 Increase

Other Business

G. 1. OTHER BUSINESS

Receive Presentation from Finance Director Mary Lawrence on the City of Sherman's Tax Increment Financing Policy

G. 2. OTHER BUSINESS

Receive Presentation from Austin College Student Shawn Slowinski on Findings from a Retail Survey performed in conjunction with the Sherman Chamber of Commerce

G. 3. OTHER BUSINESS

Consider Applications for the Sherman Downtown Occupancy Incentive Grant Program

G. 4. OTHER BUSINESS

Discussion and Recap of Recent Texoma Council of Governments Meeting

H. CITIZEN REQUESTS

I. MEDIA QUESTIONS

Consider Board/Commission Appointments

J. 1. APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Tax Increment Reinvestment Zone #5 Board (3)

J. 2. APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Tax Increment Reinvestment Zone #6 Board (3)

K. COUNCIL COMMENTS

Executive Session

L. 1. EXECUTIVE SESSION

In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections:

Section 551.071 Consultation with City Attorney concerning Pending or Contemplated Litigation

Section 551.074 Personnel Matters

(a) Consider the Qualifications, Appointment and Removal of Members to Boards and Commissions:

(1) Planning and Zoning Commission (2)

Section 551.087 Deliberation Regarding Economic Development Negotiations:

(a) Deliberate Regarding Commercial or Financial Information that the City has Received from a Business Prospect and Deliberate any Offers or Incentives to the Business Prospect

The Council reconvenes into General Session

M. 1. OPEN MEETING

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

N. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on April 27, 2017 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 27th day of April, 2017
City of Sherman, Texas

City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of "Citizens Requests", "Media Questions", and "Council Concerns" may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda.

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor

David Plyler

Deputy Mayor

Jason Sofey

Council Members

Kevin Couch, Council-At-Large, PL #1

Jason Sofey, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Terrence R. Steele, Council – District #2

Pamela L. Howeth, Council – District #3

Charles H. Brown, Sr., Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

A.4.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF APRIL 17, 2017

Attachments

April 17, 2017

Petition - The Preserve

Petition - Opposition for Ord 6021

Letter of Opposition - Michael and Valeree Peckham

Michael R. Coker Company PowerPoint

STATE OF TEXAS §
 April 17, 2017
COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on April 17, 2017.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR JASON SOFEY.
 COUNCIL MEMBERS BROWN, COUCH, HOWETH, STEELE,
 TEAMANN.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Terrence Steele.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called Joint Meeting with the Sherman Independent School District Board of Trustees of March 21, 2017, and Regular City Council Meeting of April 3, 2017. Council Member Couch moved to approve the Minutes as presented; Second by Council Member Howeth. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

PROCLAMATION

"TEXOMA EARTH DAY" – APRIL 22, 2017

Mayor Plyler presented a proclamation to Amy Hoffman-Shehan, Texoma Earth Day Planning Committee Representative, designating April 22, 2017 as "Texoma Earth Day."

TEXOMA EARTH DAY
PROCLAMATION
(APRIL 22, 2017)

Ms. Hoffman-Shehan said the original goal of the organization was to identify community partners that could work together to help increase environmental awareness. The first year there were twelve community partners and this year there are over 30 community partners.

She outlined various activities and events that will be included in the Earth Day celebration, including Dr. George Diggs, from Austin College, who will discuss native plants, and the changes being seen through climate change. She invited all citizens to attend the event.

PUBLIC HEARING

CONDUCT THE FIRST PUBLIC HEARING CONCERNING THE ANNEXATION OF A 459.6 ACRE TRACT OF LAND ON PRESTON CLUB DRIVE, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION

Robby Hefton, City Manager, said this is the first of two public hearings that will be held on the proposed annexation

ANNEXATION
PRESTON CLUB
DRIVE

of land on Preston Club Drive, adjacent to the Sherman City limits.

The second public hearing will be held at the May 1, 2017 City Council Meeting and adoption of the ordinance will be considered at a Called City Council Meeting on May 22, 2017.

No citizens appeared before the City Council to discuss the annexation of a 459.6 acre tract of land on Preston Club Drive.

**INTRODUCTION AND PUBLIC HEARING OF ORDINANCES
UNDER APPEAL FROM P&Z**

Mayor Plyler introduced Ordinance No. 6021 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 3800-4000 BLOCKS OF QUAIL RUN ROAD AND THE 1100-1300 BLOCKS OF SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 2, BLOCK A, COUNTRY RIDGE ESTATES NO. 10, CONTAINING 26.078 ACRES (GRAHAM MORTGAGE CORPORATION, OWNERS; MICHAEL R. COKER COMPANY, REPRESENTATIVE; AND ARCHON CORPORATION, ARCHITECT); PROVIDING FOR A REPEALER.

ORD 6021
APARTMENT
COMPLEX
QUAIL RUN RD.
(APPEAL FROM
P&Z COMMISSION)

Scott Shadden, Director of Development Services, said this is a request for a zone change for a multi-family facility in C-1 zoning. The Planning and Zoning Commission considered the request and heard from many neighbors that expressed concern for traffic, safety, and property values. They denied the request for a zone change.

Lisa Collins, 4505 Blue Jay Lane

Ms. Collins expressed concern about traffic issues because of the zone change, not only on FM 1417, but with the entrance and exit on Quail Run.

She said the Developer's preliminary plans included an exit onto Quail Run Road and one on FM 1417. She felt this was very problematic because it is a highly traveled roadway and there are no turn lanes. She felt Country Ridge Estates would especially be impacted and discussed who would maintain the landscaping near the entrance.

She felt there are other locations that would be better suited to multi-family living and "dumping" 300 to 600 additional vehicles at a "choke point" would not be safe or the best use of the property.

Danise Mullendore, 1905 Ridgecrest

Ms. Mullendore was against the request because of the additional traffic that would be entering FM 1417 making it hard to travel.

John Payne, 802 Swan Ridge Drive

Mr. Payne also serves as the president of the home owner's association for The Preserve. He presented the City Council with a petition of approximately 50 residents from The Preserve, that were against the proposed zone change for the apartments. Deputy Mayor Sofey verified that there are 72 homes in The Preserve and the petition represents about 30 to 35 homes.

Mr. Payne said these residents are against the zone change and are concerned about how it will affect the value of their homes. The oldest home in the development is about three years old.

He said the City already has a Master Plan for FM 1417 that has a good balance between residential, commercial, and industrial, and he urged the City to "stay with that plan." He said traffic and safety are also concerns.

Mr. Payne said the owner has already posted a sign to sell the property, and he asked if the zone change is approved and the property is sold tomorrow, would the new owner follow the same rules. He did not feel that the developer was sure of his current plan.

Paul Reyna, 711 Swan Ridge Drive

Mr. Reyna said the proposed apartment complex would bring in 300 families and Sory Elementary School already has over 600 children, and is over their maximum. Mayor Plyler said they were not the Sherman Independent School District and could not act on that type of information.

Mr. Reyna also expressed concern about safety and felt it would be better to leave the zoning as commercial. He urged the City Council to leave this property as the Master Plan says. He did not feel that Council Members would want the apartments in their own neighborhood.

Richard Davis, 1305 Mallard Drive

Mr. Davis expressed concern about a drop in property values and said his house was "on the front lines."

Jacquelyn D. Joe, 4314 Hawk Lane

Ms. Joe said her main concerns were safety and the property values. She said she was a single female and her home is her major investment. She said she currently feels safe at night in her neighborhood, but was concerned that she would not feel as safe with 300 more people "in her backyard."

Jeanette Parker, 1417 S. Raven Drive

Ms. Parker said she was against the zone change and said she didn't see the point of adding 300 apartments in that area. She felt there were "better places to do this."

Robert Breashears, 1431 Mallard Drive

Mr. Breashears said his home is also "on the front lines" and

he is opposed to the zone change. He presented the City Council with a petition from residents of Country Ridge Estates, opposing the rezoning of the property. He said the petition represented about 20 homes.

Rajendra Wagle, 910 Cormorant Drive

Mr. Wagle said he was against the proposed zone change. He attended a previous Council Meeting where exits for Houston Street between The Preserve and Seasons West were discussed. At that time the discussion was about safety. He said traffic has increased and there is now a dangerous situation.

He said everyone wants Sherman to grow, more housing, more economic activity, but he said the City needs to be ready for growth.

Michael Coker, 3111 Canton Street, Dallas, Texas

Mr. Coker appeared representing the applicant for the zone change. He said they want to change the zoning on 22 of the 26 acres, from C-1 (Retail Business) to R-2 (Multi-family Residential). The other four acres is already zoned R-2.

He presented their conceptual plan for the apartment complex. The conceptual plan is subject to modifications and to City Council approval. He also showed a drawing of what the apartment buildings would look like.

Mr. Coker said the City's Master Plan identifies the property as Suburban Residential, which is higher density than R-2. He said the multi-family request is consistent with this designation. He added that the conceptual plan that was presented conforms well with the FM 1417 Overlay, as well as with the R-2 zoning district. He added that they intend to comply with all landscaping and engineering requirements.

The applicant also worked with the Fire Marshal to lay out the fire lanes and fire access to the property. If approved, Mr. Coker said final plans complying with all City codes will be submitted for review and approval.

As for traffic generation, Mr. Coker said 300 units of one and two bedroom apartments created an estimated 1,950 trips per day. In comparison, if only 10% of the 22 acres is developed with allowable C-1 uses, it would create an estimated 11,342 trips per day.

Mr. Coker asked the City Council to approve their request for a zone change, adding that it was fully consistent with the City's Master Plan and the FM 1417 Overlay District.

Tim Yeary, 1220 Mallard Drive

Mr. Yeary said he is a board member of the Country Ridge Home Owner's Association, but said he was not 100%

opposed to the zone change. He said there is growth coming to the area and the new high school will be built “down the street” from the location.

He said traffic is a major concern, however once improvements on FM 1417 are completed it will remedy some of the traffic problems. He added that some of the homeowners were able to meet with the developer and see the actual plan and ask questions. He said he was “not against” the proposed zone change.

John Gasper, 916 Swan Ridge Drive

Mr. Gasper said Mr. Coker mentioned four acres of the property is already zoned R-2 and they are trying to get the remainder zoned R-2, and he said that’s only one-seventh of the property.

He also asked if the concept that Mr. Coker presented was “concrete” or can it be changed if the property is rezoned. He said there would be three story buildings in front of the residential homes.

Mr. Gasper expressed concern about property values, traffic, and especially about safety. He said the neighbors have discussed “open carry” if the zone change is approved, to make a statement about their safety,

Mr. Gasper said there is plenty of land on FM 1417 and throughout Sherman, where the apartments could be located, instead of in front of their homes.

Ray Sanders, 4849 Greenville Avenue, Suite 250, Dallas, Texas

Mr. Sanders said he owns 31 acres near the school to the north of this property, near Swan Ridge Drive. He has been in contact with the City’s engineers to develop Swan Ridge Drive as a four-lane road into SH 56. This would take a substantial amount of traffic off of FM 1417. He said they are currently in the process of trying to finalize those plans with the City of Sherman.

No other citizens appeared before the City Council to discuss Ordinance No. 6021.

Mayor Plyler introduced Ordinance No. 6022 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN AN M-1 (LIGHT MANUFACTURING) DISTRICT / O-1.1 (FM 1417 OVERLAY) DISTRICT AT 1711 NORTH F.M. 1417 (HERITAGE PARKWAY), SUITE 700, BEING PART OF BLOCK 1, WESTERN HILLS ADDITION, SECTION 5 (SPAVINAW DEVELOPMENT, LLC, OWNERS; AYUSH CORP, DBA THUMBS UP LIQUOR & TOBACCO, TENANT; AND VIPAN SONI, REPRESENTATIVE);

ORD 6022
SUP FOR LIQUOR
STORE
(1711 N. FM 1417)

PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Mr. Shadden said this Specific Use Permit is for a liquor store in an existing building. The Planning and Zoning Commission approved the SUP, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6022.

Mayor Plyler introduced Ordinance No. 6023 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN A C-1 (RETAIL BUSINESS) DISTRICT / O-1 (75 & 82 OVERLAY) DISTRICT AT 2916 NORTH U.S. HIGHWAY 75, SUITE 100, BEING LOT 4, SHAFER PLAZA (TAVA PROPERTY, LLC, OWNERS; NANDI BHATTARAI, APPLICANT; AND REGGIS LIQUOR #75, TENANT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6023
SUP FOR LIQUOR
STORE
(2916 N. HWY 75)

Mr. Shadden said this Specific Use Permit is for a liquor store in an existing building. The Planning and Zoning Commission approved the SUP, subject to the Staff Review Letter and no lighting in or around the windows.

No citizens appeared before the City Council to discuss Ordinance No. 6023.

Mayor Plyler introduced Ordinance No. 6024 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 5878 IN ITS ENTIRETY; AMENDING CHAPTER 5 OF THE CODE OF ORDINANCES, ENTITLED "FIRE PREVENTION AND PROTECTION", ARTICLE 5.04, ENTITLED "LIQUEFIED PETROLEUM GAS", TO REGULATE LIQUEFIED PETROLEUM GAS WITHIN THE CITY'S JURISDICTION, ADOPTING THE TEXAS RAILROAD COMMISSION'S LP-GAS SAFETY RULES IN CONFORMITY WITH SECTION 113.054 OF THE NATURAL RESOURCES CODE; REPEALING ALL OTHER ORDINANCES OR PARTS THEREOF PURPORTING TO REGULATE LIQUEFIED PETROLEUM GAS WITHIN THE CITY'S JURISDICTION ONLY TO THE EXTENT THAT SUCH OTHER ORDINANCES OR PARTS THEREOF RELATE TO LIQUEFIED PETROLEUM GAS; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES.

ORD 6024
LP GAS

Brandon Shelby, City Attorney, said in 2015 the Legislature gave regulatory authority over liquefied petroleum gas to the Railroad Commission.

The City of Sherman had an existing ordinance on the books, and it was amended after the Legislative change. This amendment “caught the attention” of the LPG lobby. They contacted the Attorney General and the AG ruled that the statute was retroactive and all City ordinances dealing with LPG were now ineffective.

The LPG lobby has sued every City in Texas that has an LPG ordinance. In discussions with the LPG Association’s attorney, they will drop from the lawsuit, any City that repeals their ordinance.

Mr. Shelby said essentially Sherman is repealing the ordinance because State law now controls it and the Legislature said it’s retroactive.

No citizens appeared before the City Council to discuss Ordinance No. 6024.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6021

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 3800-4000 BLOCKS OF QUAIL RUN ROAD AND THE 1100-1300 BLOCKS OF SOUTH F.M. 1417 (HERITAGE PARKWAY), BEING LOT 2, BLOCK 1, COUNTRY RIDGE ESTATES NO. 10, CONTAINING 26.078 ACRES (GRAHAM MORTGAGE CORPORATION, OWNERS; MICHAEL R. COKER COMPANY, REPRESENTATIVE; AND ARCHON CORPORATION, ARCHITECT); PROVIDING FOR A REPEALER

ORD 6021
APARTMENT
COMPLEX
QUAIL RUN RD.
(APPEAL FROM
P&Z COMMISSION)

Council Member Couch asked citizens that live in Country Ridge or The Preserve, how the apartments have affected their property value.

Mr. Payne said they notice “a lot of foot traffic” from the apartments. The Aviation School is using one complex to house their students and as FM 1417 has gotten busier, there are more of those students walking through the fields.

Council Member Couch said his question is specifically about property values. Mr. Yearly said his property values have increased.

Council Member Steele verified with Mr. Coker that the request is for a portion of the property to be rezoned from C-1 and the rest to remain R-2. There is also an Overlay District

on a portion of the property. Mr. Coker said the Overlay District rules apply to that portion of the property, which is 500 feet off of the right-of-way line of FM 1417.

This Overlay District requires additional landscaping, but Mr. Coker said they intend to comply with the Overlay District requirements.

Council Member Teamann asked if the City Council chooses to uphold the decision of the Planning and Zoning Commission, do they have another use for the property, such as retail development. Mr. Coker said they did not have another use for the property.

Council Member Couch asked if any studies had been completed concerning traffic if the area is left zoned as C-1 and a business such as Wal-Mart located there. He felt that a retail or commercial business would add hundreds of vehicles to the roadway.

Mr. Coker said he actually developed Wal-Mart properties and the average Wal-Mart is well over 100,000 square feet and the Super Wal-Marts are 212,000 square feet “under roof.” If the Wal-Mart is a 24 hour facility, it generates traffic 24 hours per day, which would equate to about 25,000 trips. Mr. Coker added that they have not considered developing the property as C-1.

Council Member Teamann asked if the 4.5 acre tract that is currently zoned R-2, would be developed as apartments even if the other tract did not receive the zone change. Mr. Coker said the tract that is currently R-2 is available for development, however with the required setbacks and the easements, the 4.5 acre tract would not be developed as apartments by itself.

Council Member Brown said his property has more than doubled in the 34 years he has lived there. About a year ago, Seasons West was having traffic issues and the City put in speed bumps. He said there is a “backup” on FM 1417 sometimes, but if a traffic signal was installed that would help. He said he has not seen much of an increase in traffic.

Council Member Howeth verified that the property is already zoned for retail business, and she asked what other types of business could be located there now. Mr. Shadden said permitted uses for the current zoning could allow a mall, Wal-Mart, retail stores, and offices on the property.

Council Member Howeth said the Council is considering all their concerns, however there is a need for additional apartments in Sherman. She added that no one wants it in their neighborhood, however this property could end up being another Town Center.

COUNCIL MINUTES – APRIL 17, 2017

Council Member Teamann asked about the future land use map for that area. Mr. Hefton said the Comprehensive Master Plan was adopted in 2008/2009 and includes several maps. At that time, there was an evaluation by the consultant to address what the land use would be like now, as well as a future land use evaluation, to project over time what adequate uses would be.

Mr. Hefton said the future land use map for this parcel is designated as “suburban residential,” which would include multi-family. Mr. Shadden said the definition of suburban residential is increased density and closer building setbacks. It separates urban residential from countryside and estate. It includes more landscaping, open space, and distinguishes suburban residential from urban and auto-urban categories. Mr. Hefton added that the definition doesn’t specify the type of housing exactly.

Deputy Mayor Sofey added that the Comprehensive Master Plan is re-evaluated every 10 years because things change.

Council Member Couch asked for examples as to how the City has deviated from the Master Plan. Mr. Shadden said the City seldom deviates from the Master Plan, however there had been some cases. He could not immediately think of an example.

Council Member Couch verified that the current Master Plan is about due for an update, probably in 2018. Council Member Couch said the City is adding about 1,000 citizens to the City annually and he felt it is time to update the Master Plan.

Council Member Brown said he didn’t see a lot of “foot traffic” walking along FM 1417 and he felt the other apartments, such as Rain Tree, were pretty safe.

Council Member Steele said there is currently less than a three month inventory of apartments and that’s not good for a growing City. He also felt it was stereotyping to say apartments are not safe.

Mayor Plyler reminded everyone that the issue today is a zoning issue only.

ACTION TAKEN.

Motion by Council Member Brown to adopt Ordinance No. 6021, as presented. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 6022

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION

**ORD 6022
SUP FOR LIQUOR
STORE**

(5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN AN M-1 (LIGHT MANUFACTURING) DISTRICT / O-1.1 (FM 1417 OVERLAY) DISTRICT AT 1711 NORTH F.M. 1417 (HERITAGE PARKWAY), SUITE 700, BEING PART OF BLOCK 1, WESTERN HILLS ADDITION, SECTION 5 (SPAVINAW DEVELOPMENT, LLC, OWNERS; AYUSH CORP, DBA THUMBS UP LIQUOR & TOBACCO, TENANT; AND VIPAN SONI, REPRESENTATIVE); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

(1711 N. FM 1417)

ACTION TAKEN.

Motion by Council Member Teamann to adopt Ordinance No. 6022, as presented. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Steele, Teamann.

VOTING NAY: None.

ABSTAIN: Sofey.

MOTION CARRIED.

Ordinance 6023

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A LIQUOR STORE IN A C-1 (RETAIL BUSINESS) DISTRICT / O-1 (75 & 82 OVERLAY) DISTRICT AT 2916 NORTH U.S. HIGHWAY 75, SUITE 100, BEING LOT 4, SHAFER PLAZA (TAVA PROPERTY, LLC, OWNERS; NANDI BHATTARAI, APPLICANT; AND REGGIS LIQUOR #75, TENANT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6023
SUP FOR LIQUOR
STORE
(2916 N. HWY 75)

Council Member Steele said he understood that Suite 100 is already leased. He asked if the issue had been resolved. Mr. Shadden said the owner signs the application.

Council Member Steele asked if the Council approves the request tonight, what happens if they can't use Suite 100. Mr. Shadden said if they change locations they would have to start over. The SUP would only be good for that particular space. Deputy Mayor Sofey verified that the request is for the entire square footage of the Jalapeno Tree Restaurant.

Council Member Howeth asked if there was any concern about the traffic that lines up for the Starbucks, near that location. It was not thought that would be a problem.

ACTION TAKEN.

Motion by Council Member Couch to adopt Ordinance No. 6023, as presented. Second by Council Member Howeth.

COUNCIL MINUTES – APRIL 17, 2017

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 6024

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 5878 IN ITS ENTIRETY; AMENDING CHAPTER 5 OF THE CODE OF ORDINANCES, ENTITLED "FIRE PREVENTION AND PROTECTION", ARTICLE 5.04, ENTITLED "LIQUEFIED PETROLEUM GAS", TO REGULATE LIQUEFIED PETROLEUM GAS WITHIN THE CITY'S JURISDICTION, ADOPTING THE TEXAS RAILROAD COMMISSION'S LP-GAS SAFETY RULES IN CONFORMITY WITH SECTION 113.054 OF THE NATURAL RESOURCES CODE; REPEALING ALL OTHER ORDINANCES OR PARTS THEREOF PURPORTING TO REGULATE LIQUEFIED PETROLEUM GAS WITHIN THE CITY'S JURISDICTION ONLY TO THE EXTENT THAT SUCH OTHER ORDINANCES OR PARTS THEREOF RELATE TO LIQUEFIED PETROLEUM GAS; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES.

ORD 6024

LP GAS

ACTION TAKEN.

Motion by Council Member Couch to adopt Ordinance No. 6024, as presented. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

TABLED AT THE FEBRUARY 6, 2017 CITY COUNCIL MEETING:

ADOPTION OF ORDINANCE NO. 6009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW TRUCK REPAIR, STORAGE, RENTAL AND OFFICE FOR RYDER TRUCKS AND A GENERAL CONTRACTOR'S OFFICE AND STORAGE FACILITY IN A C-2 (GENERAL COMMERCIAL) DISTRICT / O-1.1 (FM 1417 OVERLAY) DISTRICT AT 4613 NORTH F.M. 1417 (HERITAGE PARKWAY), BEING 17.60 ACRES IN THE ALFRED HUMES SURVEY, ABSTRACT NO. 522 (SAPPHIRE GROUP, LLC, OWNERS; KYLE BOOTHE, REPRESENTATIVE; AND BLUESTONE DRAFTING & DESIGN, DESIGNER); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00

ORD 6009

SUP FOR TRUCK
REPAIR, STORAGE,
RENTAL OFFICE
(4613 N. FM 1417)

REMOVE FROM TABLE.

Motion by Deputy Mayor Sofey to remove Ordinance No. 6009 from table for consideration, as presented. Second by Council Member Couch.

COUNCIL MINUTES – APRIL 17, 2017

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED TO REMOVE FROM TABLE.

Kyle Boothe, Representative, said he has met with a couple of Council Members since the last meeting at which this was considered. This issue deals with the Specific Use Permit, while the Planning and Zoning Commission also dealt with an exception to landscaping on the front of the property.

Mr. Boothe said he hoped that if they committed to the five proposed items tonight, that the five year requirement on the exception, would be waived.

He said they were mainly talking about the building on the south side that “fronts” FM 1417. He said they are proposing to remove the large radio antenna and all angled support lines; paint the rusted conduit to match the façade of the metal buildings; paint the blue garage door on the north side to match the building; add four awnings as architectural elements; and install trees and bushes along the west fence line to improve the curb appeal and hide some of the garage doors on the south side. Mr. Boothe said they would also commit to maintaining landscaping, awnings, and paint.

Deputy Sofey said his original issues were not so much for that building as they were keeping in line with the FM 1417 Overlay District. He wanted to “hold them to some level of improvements.” He felt this was a great plan and the building would look a lot better.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to adopt Ordinance No. 6009, as presented. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Howeth moved to approve the Consent Agenda, as presented. Second by Council Member Teamann. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6208 – AUTHORIZING THE EXECUTION OF A PROFESSIONAL CONSULTING SERVICES AGREEMENT WITH EIKON CONSULTING GROUP, LLC FOR THE DESIGN OF CITY OF SHERMAN FIRE STATION #4

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A

CONSENT AGENDA

**RES 6208
FIRE STATION #4
DESIGN**

**PROFESSIONAL CONSULTING SERVICES AGREEMENT
WITH EIKON CONSULTING GROUP, LLC FOR THE DESIGN
OF CITY OF SHERMAN FIRE STATION #4.**

Mr. Hefton said this agenda item is to approve a contract with Eikon, who is a consultant and engineering firm, to help design the relocated Fire Station #4. It will be moved west on FM 1417, into the Northgate Park area. The contract is about \$340,000 and the design will take approximately six months.

Mr. Hefton said the staff hopes to have the design completed and be moving dirt by the end of 2017 or the first part of 2018. The current contract is only for engineering and design services.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to adopt Resolution No. 6208, as presented. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

**RESOLUTION NO. 6209 – AUTHORIZING EXECUTION OF A
SECOND AMENDMENT TO THE FAIRVIEW ELEVATED
WATER TANK USE AGREEMENT WITH NEW CINGULAR
WIRELESS PCS, LLC**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A SECOND AMENDMENT TO THE FAIRVIEW ELEVATED WATER TANK USE AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC.

RES 6209
CINGULAR WIRELESS
AGREEMENT FOR
FAIRVIEW WATER
TANK

Mark Gibson, Director of Utilities, said Cingular Wireless would like to add additional equipment on the Fairview Water Tower. They already have several pieces located there. If approved, the request will increase their rent by \$300 per month to offset the cost.

ACTION TAKEN.

Motion by Council Member Couch to adopt Resolution No. 6209, as presented. Second by Council Member Brown.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

**RESOLUTION NO. 6210 – DECLARING THE CITY OF
SHERMAN'S ELIGIBILITY AND INTENTION TO PARTICIPATE
IN A RESIDENTIAL TAX ABATEMENT PROGRAM TO
PROMOTE DEVELOPMENT / REDEVELOPMENT IN CERTAIN
AREAS OF THE CITY; ESTABLISHING GUIDELINES AND
CRITERIA**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE CITY OF SHERMAN'S

RES 6210
RESIDENTIAL TAX
ABATEMENT
GUIDELINES

ELIGIBILITY AND INTENTION TO PARTICIPATE IN A RESIDENTIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT / REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA.

Mr. Hefton said this is an administrative action needed by the City Council. The City is required by law to bring this issue back every two years to reauthorize participation in the Residential Tax Abatement Program.

Over the life of the program, Mr. Hefton said the City has incentivized hundreds of builders and has put over \$20 million back on the tax rolls, through this program.

ACTION TAKEN.

Motion by Council Member Brown to adopt Resolution No. 6210, as presented. Second by Deputy Mayor Sofey. VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6211 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBARS PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 409 EAST WILSON AVENUE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBARS PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 409 EAST WILSON AVENUE.

CONSENT AGENDA.

RES 6211
RESIDENTIAL TAX
ABATEMENT
(409 E. WILSON)

OTHER BUSINESS

DISCUSSION OF THE CITY OF SHERMAN'S PANHANDLING / RIGHT-OF-WAY SAFETY REGULATIONS

Mr. Shelby said several years ago the City adopted an ordinance for right-of-way safety. The ordinance made it illegal to step into the roadway to solicit anything.

PANHANDLING &
ROW SAFETY

Deputy Mayor Sofey asked to discuss the issue with the City Attorney in Executive Session.

He felt, when the ordinance was adopted, there was a vast improvement for a short time with the safety issue. However, there have been issues recently of people walking up and down the highway at the red light and it is creating a larger issue. Mr. Shelby said that is illegal, both under the City's ordinance and under State law.

He said if the Council wanted to discuss "beefing up" this ordinance in light of recent Supreme Court decisions, he would prefer to discuss it in Executive Session, under Section 551.071 of the Government Code.

AUTHORIZING EMERGENCY REPAIRS TO THE SHEPHERD DRIVE 1 WOODBINE WATER WELL

The City Council approved the request for emergency repairs to the Shepherd Drive 1 Woodbine Water Well. The pump has failed and requires immediate replacement.

WATER WELL
REPAIRS
WOODBINE WELL

This well is one of the primary wells that provide water to the City of Sherman. With the oncoming high summer water demands, it is imperative that the well be repaired as quickly as possible to maintain the City's groundwater supply capability.

Normally the repairs would take between three and four months, if no problems were encountered. It is anticipated that the repairs can be completed in approximately three weeks under emergency conditions.

CONSENT AGENDA.

APPROVE THE QUARTERLY INVESTMENT REPORTS FOR QUARTER ENDED MARCH 31, 2017

The City Council approved the Quarterly Investment Report for the quarter ended March 31, 2017.

QUARTERLY
INVESTMENT
REPORT

As of March 31, 2017, the portfolios were in compliance with applicable State laws and the Investment Policy. The Operating Investment Portfolio had a book value of about \$17.3 million, an increase of about \$2.6 million from prior quarter, due to a security and a Certificate of Deposit purchase, additional deposits to the Local Government Investment Pool, a maturity and a CD renewal.

The underlying investments were adequately diversified among four different types of securities and is appropriately liquid. Its weighted-average maturity was about 447 days, a decrease of 23 days from last quarter. The portfolio yield of 1.093% for the quarter is higher than the benchmark yield of 1.03%, and the portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The Debt Proceeds Portfolio balance of \$25.2 million had increased by \$17.2 million due to the receipt of the 2017 Certificate of Obligation proceeds. The portfolio was invested in a Local Government Investment Pool and an FDIC insured money market account, both with a maturity of one day.

Other transactions included the addition of interest income and approximately \$1.6 million for project payments. The yield of .57% was below the benchmark yield of .74% for this portfolio. Book value and market value were about the same.

CONSENT AGENDA.

REPLAT APPROVAL OF TRACT 3, WEST CANYON CREEK ESTATES, SECTION 3, BEING 24.611 ACRES IN THE JAMES B. VADEN SURVEY, ABSTRACT NO. 122 AND ALSO BEING ALL OF TRACT 3, WEST CANYON CREEK ESTATES,

APPROVAL OF
REPLAT
CANYON CREEK
ESTATES

SECTION 3; WEST CANYON CREEK ESTATES, LTD AND LYNN VESSELS, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (4100-4200 BLOCKS OF WEST LAMBERTH ROAD)

The City Council approved the Replat of Tract 3, West Canyon Creek Estates, Section 3, which is 24.611 acres, located in the 4100 to 4200 blocks of West Lamberth Road, and was a part of the former County Farm property. The owners would like to replat the property into three lots.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

CITIZENS REQUESTS

DRAINAGE ISSUES AT 207 SOUTH DEWEY AVENUE

Lauri Hanson, 64 Campground Road, referenced the property east of 207 South Dewey Avenue, which is being washed away by a creek. She began working at Tom's Auto Body in 2005 and said there was a chain link fence along the property line. At that time the creek was about five foot from the fence.

She said workers have cleaned the creek repeatedly and have enlarged it toward the west, the property at 207 South Dewey. Concrete bags have been stacked on the east side of the creek to protect that property. She estimated that the creek is now 10 to 20 foot wide, and has eroded underneath the chain link fence. She said the property is hanging in mid-air, held up by the fence.

Ms. Hanson said it is private property, but it is a flood zone. She said it is endangering a State-licensed facility. She said the dirt has washed down the creek. Ms. Hanson said the infrastructure of Sherman needs to be maintained.

Mr. Hefton said there is only so much the City can do on private property and he said a lot of this issue has to do with property adjacent to Tom's Auto Body. However, he could not say that it hadn't been done in the past.

He did not know if that particular property was in the floodway or flood zone, but said the staff would review the situation. Waterways do erode, and the City would take care of the area around City water and sewer pipes. He said there are many Federal regulations about moving dirt in and out of the creeks.

Mr. Hefton reiterated saying the staff will take a look at the situation, but there is only certain things they can do in the floodway, by law. He said if a neighbor is causing problems for a property owner, it may be a civil problem with the neighbor.

**DRAINAGE ISSUES
AT 207 S. DEWEY**

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

SERVICE DOGS

Council Member Howeth said everyone was in favor of citizens that need service dogs having them. However, it has come to her attention recently that someone took a Pit Bull dog into McDonald's with a vest that said "service dog." Another patron took a small dog in there with a service dog vest and had the dog on the table.

She asked the staff to review the regulations and legal ramifications of how they are classified and whether or not we need a City ordinance.

RESIDENTIAL TAX ABATEMENT

Deputy Mayor Sofey said the City's participation in the Residential Tax Abatement Program is a great program. He said the City has been doing that for a long time and is far ahead of other cities because of the program.

FARMER'S MARKET

Council Member Steele said he attended the Farmer's Market this weekend and wanted to encourage the citizens to enjoy the fresh vegetables grown by local growers.

TRAFFIC CONGESTION ON FM 1417

Council Member Couch recognized the citizens that attended from Country Ridge Estates and The Preserve. He said in terms of traffic, he would be willing to help them write letters to the Texas Department of Transportation about the congestion on FM 1417. He said Swan Ridge Drive will open and the City is excited about that extension. He wanted to keep an open dialogue with the residents.

COUNTRY RIDGE ESTATES AND THE PRESERVE

Council Member Teamann said he also appreciated citizens from Country Ridge Estates and The Preserve attending the meeting. He said he also owns property there that is leased out.

BIKE MONTH

Council Member Teamann said May is Bike Month and the citizens are gearing up for some awareness about bicycles.

CITY EMPLOYEE SALARIES

Council Member Teamann said he would like to look into the pay that City employees are getting. He wanted to be sure all staff is "on par" with the peer cities. He wanted to make sure Sherman can "keep good people."

Mr. Hefton said employee pay will be discussed during the annual budget meetings.

MEDIA QUESTIONS

SERVICE DOGS

**RESIDENTIAL
TAX ABATEMENT**

FARMER'S MARKET

**TRAFFIC CONGESTION
ON FM 1417**

**COUNTRY RIDGE
ESTATES & THE
PRESERVE**

BIKE MONTH

**CITY EMPLOYEE
SALARIES**

ANNOUNCEMENTS

Mayor Plyler announced the following:

- Earth Day will be held Saturday, April 22, 2017, on the Municipal Building Grounds.

ANNOUNCEMENTS

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

EXECUTIVE SESSION

SECTION 551.071

CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION

SECTION 551.074

PERSONNEL MATTERS
CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:
PLANNING AND ZONING COMMISSION

SECTION 551.087

DELIBERATE REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:
DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:29 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:20 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

OPEN MEETING

COUNCIL MINUTES – APRIL 17, 2017

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 7:21 p.m.

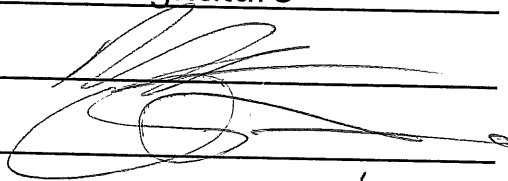
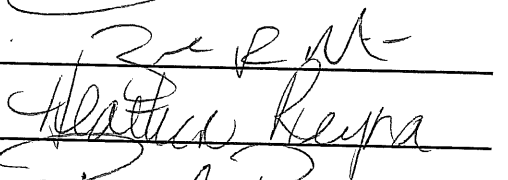
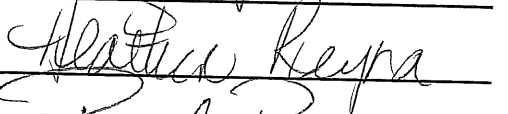
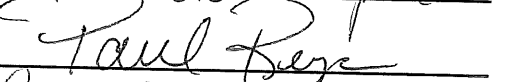
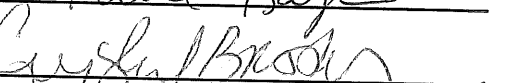
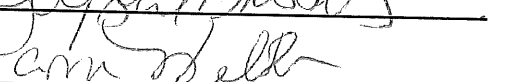
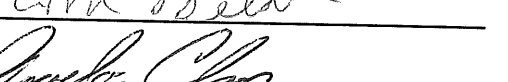
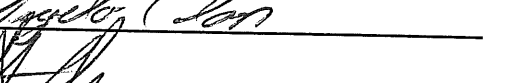
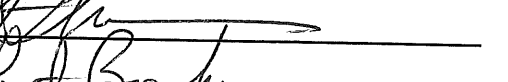
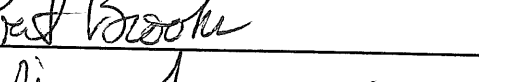
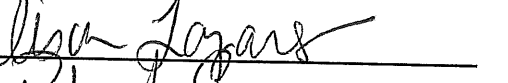
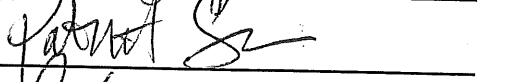
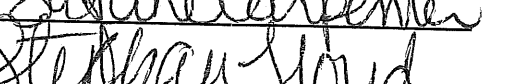
ADJOURNMENT

MAYOR _____

CITY CLERK

The Preserve

Petition against proposed zone change being presented at City Council Meeting
4/17/17

	Name	Address	Signature
1	Michael Peddhan	803 Swan Ridge Dr.	
2	Michael Peddhan	803 Swan Ridge Dr.	
3	ZACH morin	4508 CORMORANT DR	
4	Heather Keyra	711 Swan Ridge Dr.	
5	Paul Keyra	711 Swan Ridge Drive	
6	Crystal Brooks	719 Swan Ridge Drive	
7	Debbie	913 Swan Ridge Drive	
8	Angelo Colon	811 Swan Ridge Dr	
9	Jacob Thomas	715 Swan Ridge Dr	
10	Robert T. Brooks	719 Swan Ridge Dr.	
11	Alison Lozares	901 Swan Ridge Drive	
12	PATRICK LOZARES	901 SWAN RIDGE DRIVE	
13	Rocky Carpenter	4619 Cormorant Dr.	
14	Stephane Carpenter	4619 cormorant Dr.	
15	Stephanie Floyd	809 Cormorant Dr.	
16	Pickley Floyd	809 Cormorant Dr.	

The Preserve

Petition against proposed zone change being presented at City Council Meeting
4/17/17

Name	Address	Signature
17 Michael Hall	906 Cormorant Drive	Michael Hall
18 Rakesh K. Kulkarni	910 Cormorant Dr	Rakesh K. Kulkarni
19 Dipendra G. Garg	4513 Cormorant Dr	Dipendra G. Garg
20 Gobind B. B. B. B.	800 Cormorant Dr.	Gobind B. B. B. B.
21 Robert Brooks	719 Swan Ridge Dr	Robert Brooks
22 Nancy R. R. R.	715 Swan Ridge Dr	Nancy R. R. R.
23 Kimberly Fayne	802 Swan Ridge	Kimberly Fayne
24 John Fayne	802 Swan Ridge	John Fayne
25 Sandra Coomes	802 Swan Ridge	Sandra Coomes
26 William Solbatian	807 Swan Ridge	William Solbatian
27 Amber Solbatian	807 Swan Ridge	Amber Solbatian
28 Brent Thetford	912 Swan Ridge Dr	Brent Thetford
29 Ron Graves	921 Swan Ridge Dr	Ron Graves
30 Jennifer Morin	4508 Cormorant Dr	Jennifer Morin
31 Hank Webb	913 Swan Ridge Dr.	Hank Webb
32 Edenilson Angel	810 Swan Ridge Dr	Edenilson Angel

The Preserve

Petition against proposed zone change being presented at City Council Meeting
4/17/17

	Name	Address	Signature
33	Maritza Cisneros	810 Swan Ridge	Maritza Cisneros
34	McKinley Keller	923 Cormorant Dr	McKinley Keller
35	Mary Keller	923 Cormorant Dr	Mary Keller
36	Damon Morris	705 Swan Ridge Dr.	Damon Morris
37	David Dobbs	4405 Hummingbird Dr.	David Dobbs
38	Auden Hinojosa	4417 Hummingbird Dr	Auden Hinojosa
39	Diana Garcia	4417 Hummingbird Dr.	Diana Garcia
40	Kirstin Logan	4507 Hummingbird Dr.	Kirstin Logan
41	Amanda Bage	4511 Hummingbird Dr	Amanda Bage
42	SAM BOYLE	4511 HUMMINGBIRD DR	Sam Boyle
43	Michelle Morris	705 Swan Ridge Dr.	Michelle Morris
44	Kyle Rogers	905 SWAN RIDGE Dr	Kyle Rogers
45	Sabrina Thompson	510 Seasons W "Seasons" west	Sabrina Thompson
46	Tim Thompson	510 SEASONS W	Tim Thompson
47	Nohemi Prado	8010 Swan Ridge Drive	Nohemi Prado
48	JULIE PRADO	8010 SWAN RIDGE Dr	JULIE PRADO

The Preserve

Petition against proposed zone change being presented at City Council Meeting
4/17/17

Name

Address

Signature

49

James Richards

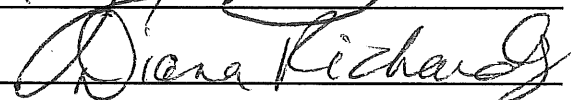
4505 Cormorant dr



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Diana Richards

4505 Cormorant Dr.



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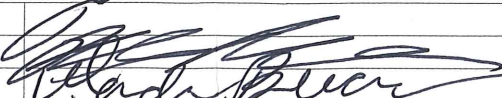
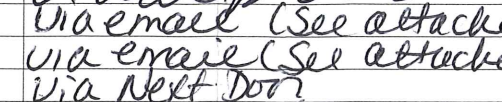
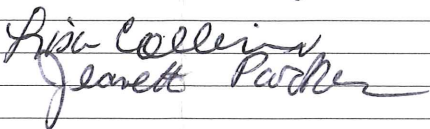
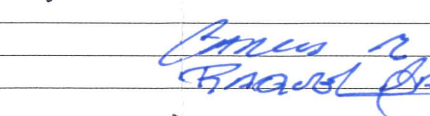
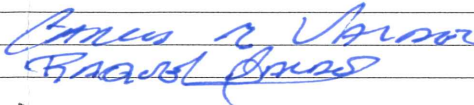
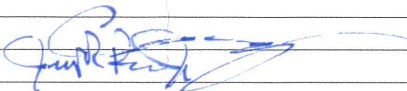
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We the undersigned oppose the rezoning of property located in the 3800-4000 blocks of Quail Run Road and the 1100-1300 blocks of South F.M. 1417, from C1 to R2.

Name	Address	Signature
Robert Breashears	1431 Mallard Dr.	
Wanda Breashears	1431 Mallard Dr.	
Eric Hatter	4334 Hawk Ln	Via email (See attached)
Tammy Hatter	4334 Hawk Ln	Via email (See attached)
Linda Partridge	1430 Pintail	Via Next Door
Donna Nelson	4325 Falcon	Via email (See attached)
Rene Birchall	1433 S. Raven Dr.	Via email (See attached)
Chris Carsten		Via email (See attached)
Stella Carsten		Via email (See attached)
Robert Guerrero	4408 Hawk Ln	Via email (See attached)
Virginia Bowley	4326 Falcon	(See second page)
Lisa Collins	4505 Blue Jay Ln	
Jeanette Parker	903-271-9849	
Denice Probst	4508 Blue Jay Ln.	
Carol M. Valoff	4411 Falcon Dr.	
Braquel J. Jones	4411 Falcon Dr.	
Veronica Bowley	4326 Falcon	Via email (See attached)
Sam Maxson	4204 Quail Run Rd.	
Joseph Reeves	4200 Quail Run Rd.	

We the undersigned oppose the rezoning of property located in the 3800-4000 blocks of Quail Run Road and the 1100-1300 blocks of South F.M. 1417, from C1 to R2.

Name	Address	Signature
Rafael Suarez	1000 Swan Ridge dr.	
ROBERTO GUERRERO	4108 HAWK LN	ROBERTO GUERRERO
Hyrum Adams	4104 Quail Run Road	Hyrum Adams
Shamlee Adams	4104 Quail Run Road	Shamlee Adams
Scott Barnes	4104 Quail Run Road	Scott Barnes
Merritt Barnes	4104 Quail Run Road	Merritt Barnes
Diane Rhoades	4318 Quail Run Rd	Diane Rhoades
WALT RHODES	4318 Quail Run Rd	WALT RHODES
Adam Rhoades	4318 Quail Run Rd	Adam Rhoades

04/17/2017
Michael and Valeree Peckham
803 Swan Ridge Drive
Sherman, TX 75092

To Sherman City Council members,

This letter is in response to the proposed rezoning appeal of the apartment complex on Quail Run Road and 1417. I spoke at the previous city council meeting, stating my worries about the proposed plan.

Once Again, I would like to voice my opposition to the proposed rezoning because of these reasons;

- The current and future condition of 1417 will not be able to handle the additional traffic of a complex with 300 to 600 residents. Our streets and infrastructure are already maxed around this location and adding this much more to the area multiplies the danger of the traffic woes.
- Quail run road- this road is maintained by Country Ridge HOA and would be supporting the outflow traffic of the proposed complex.
- The developer does not care about the community but cares about the dollar signs he could potentially make from a Section 8 contract rather than the rent of a retail business. Residents have stated that they DO NOT WANT an apartment complex next to our homes. The appeal shows the true intentions of the developer. He has reached out to many in the neighborhood promising parks for the communities trying to sell the idea off the books.
- Property Values –Our property values will be negatively impacted having this at the end of the street.
- Additional traffic on our street- our street (Swan Ridge) will be a major thoroughfare for those wishing to return to the complex by using our street. Most of us have children that play on or close to the road so speeders and additional foot traffic from those outside of the neighborhood is concerning.

We hope that you will consider our concerns as valid as we hope the counsel makes a decision based on the good of the whole community.

Thanks for your time,

Mike and Valeree Peckham.

Sherman City Council

April 17, 2017

**3800-4000 Blocks Quail Run Road &
1100-1300- Blocks S. FM 1417
(Heritage Parkway)**

Michael R. COKER Company



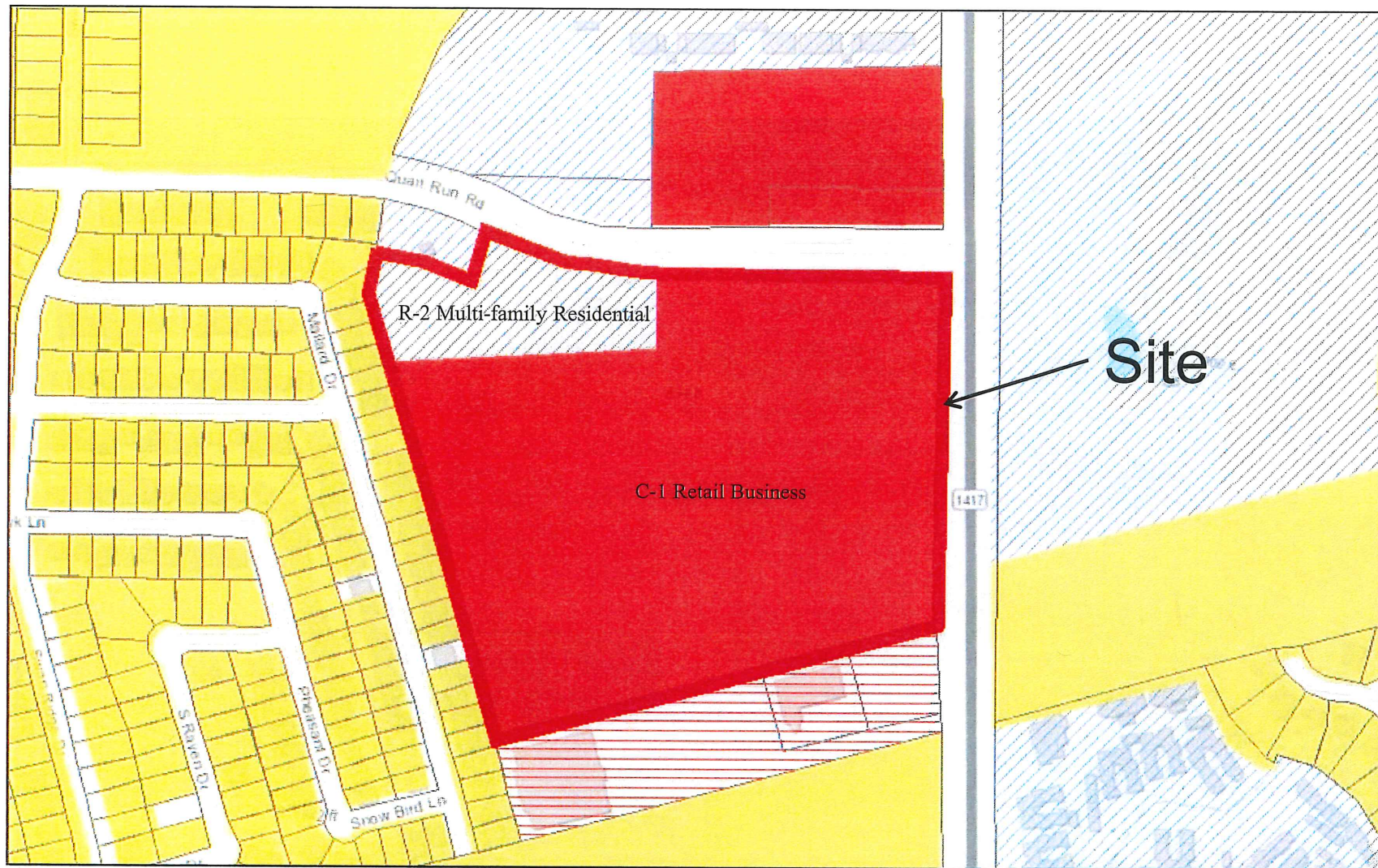
The Request

A change in zoning from a C-1 (Retail Business) District to an R-2 (Multi-family Residential) District and approval of a conceptual site plan

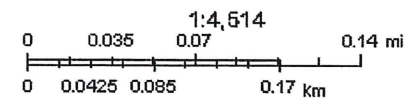
Michael R. COKER Company



Zoning



March 20, 2017

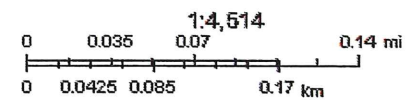


Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, Geobase, IGN, Kadaster NL, Ordnance Survey,

Zoning



March 20, 2017

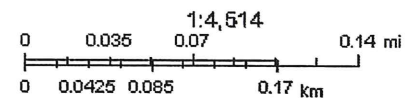


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Zoning



March 20, 2017



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

This document is the property of ARCHON CORPORATION. It is not to be used for any other project without the written consent of ARCHON CORPORATION.

MATERIAL CALCULATIONS:			
FRONT ELEVATION		SIDE ELEVATION	
STONE: 1040 SF	= 22%	STONE: 332 SF	= 17%
STUCCO: 3004 SF	= 64%	STUCCO: 1890 SF	= 83%
SDNG: 674 SF	= 14%	SDNG: 0 SF	= 0%
REAR ELEVATION			
STONE: 1435 SF	= 25%		
STUCCO: 2674 SF	= 60%		
SDNG: 675 SF	= 15%		
ARCHITECTURAL FEATURES PROVIDED:			
1. METAL AWNINGS • CORRIDOR ENTRIES			
2. RECESSES / PROJECTIONS			
3. RECESSED PORCHES			
4. PEAKED ROOF FORMS			
5. OUTDOOR PATIOS			
6. ARCHITECTURAL DETAILS (WOOD BRACKETS)			
7. ACCENT MATERIALS			
8. VARED ROOF HEIGHTS			



SIDE ELEVATION
1/8" = 1'-0"



REAR ELEVATION
1/8" = 1'-0"



FRONT ELEVATION
1/8" = 1'-0"

REVISIONS		
NO	ITEM	DATE

ARCHITECT: GARY G. WOOD #1202
 PREPARED BY: NOT TO BE USED FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION
 DATE: 9 JAN 17

QUAIL TRAIL APARTMENTS SHERMAN, TEXAS SW CORNER OF QUAIL RUN & FM 1417 INTERSECTION

ARCHON CORPORATION
 ARCHITECTS / PLANNERS
 2929 CARLSLE STREET
 SUITE 100 - DALLAS, TX 75204
 214/626-0731
 DATE: 9 JAN 17
 PROJECT: 21701.05
 SHEET: CONCEPT ELEVATIONS

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Master Plan Conformity

- The City Master Plan future land use map identifies the future use of the subject property as Suburban Residential. The multifamily request is consistent with this designation.

Conceptual Plan

- Sherman city code requires the submittal of a conceptual plan along with the request for a change of zoning. The submitted conceptual plan is consistent with the requirements of the Comprehensive Plan, the zoning requirements for the multi-family request and the requirements of the FM 1417 Overlay.

Conceptual Plan

- Applicant worked with the Fire Marshal to layout the fire lanes and fire apparatus access for the Conceptual Plan.
- If the zoning request is approved, final plans complying with all city codes shall be submitted for review and approval.

Traffic Generation

- Concern about traffic generated from our requested multifamily project:
- 300 units of one and two bedrooms apartments create 6.59 trips per dwelling unit or 1,950 trips per day
- 22 acres of a combination of C-1 allowable uses developed at 10 percent of the land area generates 118.36 trips per 1000 square feet of building or 11,342 trips per day.
- Source: ITE Trip Generation Manual, 7th edition

The Request

We respectfully request approval for the change in zoning and the conceptual site plan.

Michael R. **COKER** Company





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.1.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Economic Development Week" – May 8-13, 2017

Issue:

The Sherman Economic Development Corporation has requested a proclamation designating "Economic Development Week" in Sherman during May 8-13, 2017. The goal of the week is to increase awareness for local programs that create jobs, advance career development opportunities, and increase the quality of life in the community.

Background:

Each year, the International Economic Development Council celebrates "National Economic Development Week," which is a nationwide campaign that is designed to highlight the importance of economic development taking place in the United States.

Origination:

The request originated with the Sherman Economic Development Corporation.

Financial Consideration:

There is no financial consideration to the request.

Staff Recommendation:

It is the staff recommendation that a proclamation be presented designating May 8 through 13, 2017 as "Economic Development Week" in Sherman.

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Economic Development Week" Proclamation



Proclamation

WHEREAS, the City of Sherman and the Sherman Economic Development Corporation promotes economic well-being and quality of life for its community by creating, retaining, and expanding jobs that facilitate growth, enhance wealth, and provide a stable tax base, and

WHEREAS, Sherman Economic Development Corporation is engaged in local, regional, state, and federal governments, public-private partnerships, workforce development programs, chamber of commerce, independent school districts, and higher education institutions to foster an attractive business climate and meet the increasing need for a skilled workforce, and

WHEREAS, Sherman Economic Development Corporation works with industries, real estate professionals, the Dallas Regional Chamber, and Governor Greg Abbott's Office of Economic Development and Tourism to attract and retain high-quality jobs, develop a vibrant community, and improve the quality of life not only in Grayson County but also North Texas, and

WHEREAS, the Sherman Economic Development Corporation, in partnership with the International Economic Development Council, will celebrate the second National Economic Development Week by hosting appreciation events for local industries and community partners, as well as promoting the week-long event and its purpose through a variety of media platforms.

NOW THEREFORE, I, David Plyler, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim May 8 through 13, 2017

ECONOMIC DEVELOPMENT WEEK

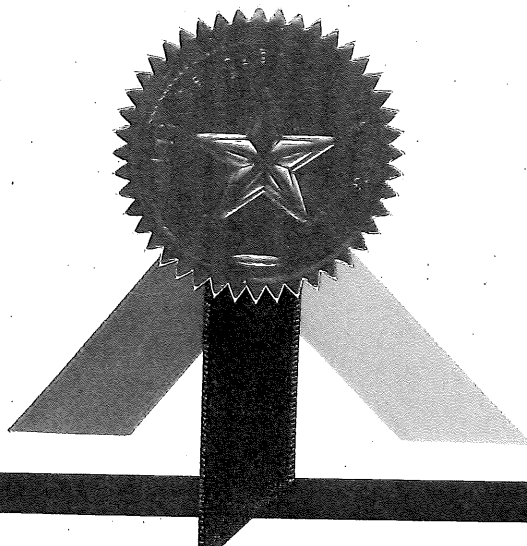
in the City of Sherman and remind individuals of the importance of this community celebration which supports the expansion of career opportunities and improving quality of life.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 1st day of May, 2017.

Mayor

ATTEST:

Leida Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.2.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Motorcycle Safety and Awareness Month" – May 2017

Issue:

The Texoma Chapter of ABATE ("American Bikers Aimed Towards Education") has requested a proclamation designating May as "Motorcycle Safety and Awareness Month."

Background:

Each year in May, Texas ABATE celebrates "Motorcycle Safety and Awareness Month"; and they request a proclamation to publicize their awareness campaign.

Origination:

The request originated with the Texoma Chapter of ABATE.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

It is the recommendation of the staff to present a proclamation designating May 2017 as "Motorcycle Safety and Awareness Month" in Sherman.

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Motorcycle Safety and Awareness Month" Proclamation



Proclamation

WHEREAS, today's society is finding more citizens involved in motorcycling on the roads of our country, and

WHEREAS, motorcyclists are roughly unprotected and therefore more prone to injury or death in a crash than other vehicle drivers, and

WHEREAS, campaigns have helped inform riders and motorists alike on motorcycle safety issues to reduce motorcycle related risks, injuries, and, most of all, fatalities, through a comprehensive approach to motorcycle safety, and

WHEREAS, it is the responsibility of all who put themselves behind the wheel, to become aware of motorcyclists, regarding them with the same respect as any other vehicle traveling the highways of this country; and it is the responsibility of riders and motorists alike to obey all traffic laws and safety rules, and

WHEREAS, urging all citizens of our community to become aware of the inherent danger involved in operating a motorcycle, and for riders and motorists alike, to give each other the mutual respect they deserve.

NOW THEREFORE, I, David Plyler, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim May 2017

MOTORCYCLE SAFETY AND AWARENESS MONTH

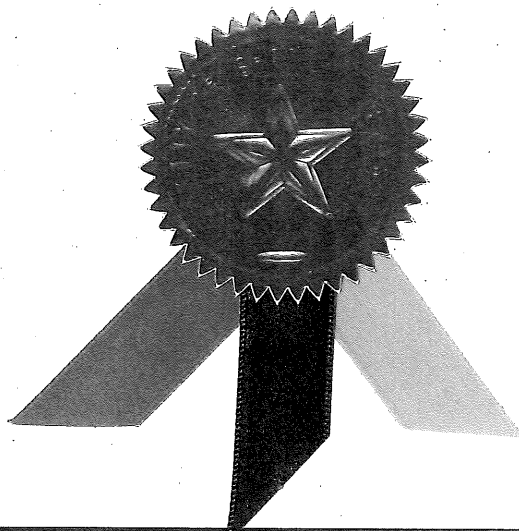
in the City of Sherman and urge all citizens to do their part to increase motorist safety, show mutual respect for all motorists, and to increase motorcycle awareness in our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed, this the 1st day of May 2017.

Mayor

ATTEST:

Linda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.3.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Sherman Bike Month" – May 2017

Issue:

At the March 6, 2017 City Council Meeting, Sherman Parks & Recreation Board Chairman Sholdon Daniels appeared before the City Council asking them to prioritize bicycle infrastructure improvements to enhance public safety in Sherman. As part of that request, he asked that the Council declare May 2017 "Sherman Bike Month" in the City.

Background:

As part of the consideration of Mr. Daniels' request, the City Council agreed to designate May 2017 as "Sherman Bike Month" in the City.

Origination:

The request originated with Parks & Recreation Board Chairman Sholdon Daniels.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

It is the recommendation of the staff to present a proclamation designating May 2017 as "Sherman Bike Month".

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Sherman Bike Month" Proclamation



Proclamation

WHEREAS, the bicycle is an economical, healthy, convenient, and environmentally sound form of transportation and an excellent tool for recreation and enjoyment of Sherman's scenic beauty, and

WHEREAS, throughout the month of May, the residents of Sherman and its visitors will experience the joys of bicycling through educational programs, races, commuting events, charity events, or by simply getting out and going for a ride, and

WHEREAS, Sherman's road and trail system attracts bicyclists each year, providing economic health, transportation, tourism, and scenic benefits, and

WHEREAS, creating a bicycling-friendly community has been shown to improve citizens' health, well-being, and quality of life, growing the economy of Sherman, attracting tourism dollars, improving traffic safety, supporting student learning outcomes, and reducing pollution, congestion, and wear and tear on our streets and roads, and

WHEREAS, Bike Texas, Bike Sherman!, the League of American Bicyclists, schools, parks and recreation departments, police departments, public health districts, hospitals, companies and civic groups will be promoting bicycling during the month of May 2017, and

WHEREAS, these groups are also promoting bicycle tourism year round to attract more visitors to enjoy our local restaurants, hotels, retail establishments, and cultural and scenic attractions, and

WHEREAS, these groups are also promoting greater public awareness of bicycle operation and safety education in an effort to reduce collisions, injuries, and fatalities and improve health and safety for everyone on the road.

NOW THEREFORE, I, David Plyler, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim May 2017

SHERMAN BIKE MONTH

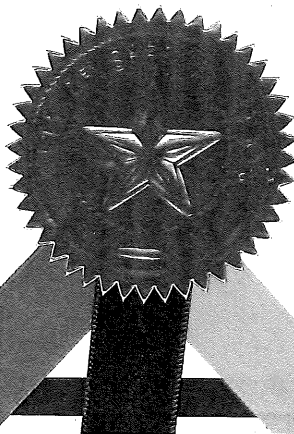
in the City of Sherman and encourage all citizens to join me in this special observance.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 1st day of May, 2017.

Mayor

ATTEST:

Ginda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.1.

Meeting Date: 05/01/2017

Prepared By: Steve Ayers, Director of Public Services

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6212

Declaring Support for the Prioritization of Citywide Bicycle Infrastructure Improvements

Issue:

To approve a resolution declaring support for the prioritization of citywide bicycle infrastructure improvements and working toward creating a local and regional bikeway network, ideally providing citizens the ability to reach their destination points in a contiguous and reliable path using bicycles as a sustainable method of transportation.

Background:

As a result of community interest, Parks and Recreation Master Plan development, and feedback from the City's Parks and Recreation Board, the City Council agreed to consider approval of a resolution declaring support for the prioritization of citywide bicycle infrastructure improvements.

Origination:

Mr. Sholdon Daniels, Chairman of the Parks and Recreation Board

Financial Consideration:

There are no financial obligations at this time.

Staff Recommendation:

It is the staff's recommendation that the proposed resolution be approved supporting bicycling as a safe and viable travel choice in the City of Sherman and declaring support for the prioritization of citywide bicycle infrastructure improvements.

Alternatives:

As directed by City Council

Attachments

Resolution No. 6212

RESOLUTION NO. 6212

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING SUPPORT FOR THE PRIORITIZATION OF CITYWIDE BICYCLE INFRASTRUCTURE IMPROVEMENTS; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas commits to being a city where bicycling is a safe and viable travel choice, ideally providing citizens the ability to reach their destination points in a contiguous and reliable path using bicycles as a sustainable method of transportation; and

WHEREAS, in order to offer a comprehensive local and regional bikeway network, the City will prioritize and encourage the planning and development bicycle-friendly projects, streets and neighborhoods for both commuter and recreational riders, with key connectivity to transit stations, employment centers, schools, shopping centers and recreational areas; and

WHEREAS, the City of Sherman's temperate climate and diverse natural settings make our City an ideal location for residents and visitors to travel outdoors on a bicycle, both recreationally and as a commuter, with proven overall health benefits, financial savings from reduced vehicle and fuel costs, and with much less impact on the environment; and

WHEREAS, City of Sherman departments should collaboratively seek out potential grant opportunities to secure funding for infrastructure improvements and support and maintain staffing positions to implement bicycle projects, work with input from community groups and the public, and prioritize areas to minimize the public safety risk to bicyclists and drivers; and

WHEREAS, our City's future population growth is planned to be accommodated mostly through infill development; and creating a functional system of mobility options including transit, walking, and biking will be essential to the quality of life of all of Sherman's residents and visitors;

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

SECTION 1. That the findings and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. That the City Council of the City of Sherman, Texas, hereby pledges its unified and sincere support for the prioritization of citywide bicycle infrastructure improvements which enhance rider safety, provide transportation options, stimulate the local economy, and benefit the greater public as our region steps forward and progresses into the future.

SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.1.

Meeting Date: 05/01/2017

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

PUBLIC HEARING

Conduct the Second Public Hearing Concerning the Annexation of a 459.6 Acre Tract of Land on Preston Club Drive, Adjacent to the Sherman City Limits and in the City of Sherman's Extra Territorial Jurisdiction

Issue:

To conduct the second public hearing concerning the annexation of a 459.6 acre tract of land on Preston Club Drive, south of U.S. Highway 82 and west of Highway 289 (Heritage Parkway), adjacent to the Sherman City Limits, and in the City's extra territorial jurisdiction (ETJ), in accordance with state law and the City Charter

Background:

It is the City's intention to annex specifically identified individual areas in the City's ETJ, in accordance with state law and the City Charter. At its March 20th meeting, the City Council approved the schedule for annexation of this property, which sets the April 17th first public hearing, this second public hearing for the May 1st regular Council meeting, and introduction and adoption of the Ordinance to annex the subject property at the May 22nd called Council meeting.

The first public hearing was held on April 17th, as scheduled, with no public comments received.

The annexation area includes 331 individual tracts of land. Property owners of 259 of those 331 properties have signed the annexation petition, meaning we have received a petition for 78% of the properties.

Origination:

Petition from Preston Club property owners

Financial Consideration:

The additional property taxes raised from this annexation are estimated at about \$90,000.00 annually, which approximates the estimated costs associated with providing general City services.

Staff Recommendation:

It is recommended that the City Council conduct its second public hearing concerning the possible annexation of this property.

Alternatives:

As directed by the City Council

Attachments

Annexation Schedule

Surveyor's Field Notes

Municipal Service Plan

Location Map

ANNEXATION SCHEDULING PLAN

Annexation of
Northern Challenge, Phase I – Vol. 19, Pg. 86-87
Preston Club – Vol. 10, Pg. 58- 58A
Preston Club The Classics, Phase Two – Vol. 14, Pg. 72
Preston Club The Classics, Phase Three – Vol. 19, Pg. 46-47
Preston Club The Classics – Phase Four – Vol. 20, Pg. 144-147
Preston Club The Legends Subdivision Phase One – Vol. 9, Pg. 85
Preston Club The Legends Subdivision Phase Two – Vol. 10, Pg. 31
Preston Club The Legends, Phase 3 – Vol. 17, Pg. 4

Also included is the adjacent golf course which lies within the McMullen & McGoin Survey, Abstract No. 762, the Daniel Bickenback Survey, Abstract No. 128, & the Henry Douglas Survey, Abstract No. 368

Wednesday, April 5, 2017.....Send written notice to property owners in the area to be annexed, public or private entities that provide services in that area, and any railroads with a right of way in the area to be annexed. The Department of Engineering Services will prepare a service plan that details the specific Municipal Services that will be provided to the area after it is annexed.

Thursday, April 6, 2017.....Post notice on City's website, newspaper and City Hall for City Council's 1st Public Hearing on intent to annex. Send written notice to each public school district in the area to be annexed. Send by certified mail a second written notice to any railroads with a right of way in the area to be annexed. Obtain required affidavit of publication from newspaper.

Thursday, April 13, 2017..... Post notice of 1st Public Hearing under the Open Meetings Act.

Monday, April 17, 2017.....City Council's 1st Public Hearing on intent to annex and service plan.*
(Regular Council Meeting)

Thursday, April 20, 2017 Post notice on City's website, newspaper and City Hall for City Council's 2nd Public Hearing on intent to annex. Obtain required affidavit of publication from newspaper.

Thursday, April 27, 2017..... Post notice of 2nd Public Hearing under the Open Meetings Act.

Monday, May 1, 2017..... City Council's 2nd Public Hearing on intent to annex and service plan.*
(Regular Council Meeting)

Thursday, May 18, 2017.....Post notice on City's website, newspaper and City Hall for introduction of annexation ordinance and adoption of the ordinance. Posting will also be in compliance with the Open Meetings Act.

Monday, May 22, 2017.....City Council Public Hearing for introduction and consideration of adoption of annexation ordinance. (Called Council Meeting**)

* If more than twenty (20) adults who are residents of the area to be annexed protest within ten (10) days of the notice by publication, then one (1) of the public hearings must be held in the area to be annexed.

** Called Council meeting to meet statutory requirement that the two public hearings be held no more than 40 days and no less than 20 days prior to adoption of Ordinance



Legal Description

Situated in the County of Grayson, State of Texas, being a part of the McMullen and McGloin Survey, Abstract No. 762; Daniel Bickenbach Survey, Abstract No. 128; Henry L. Douglas, Abstract No. 368; J. M. Thomas Survey, Abstract No. 1234; W. A. Warner Survey, Abstract No. 1353 and the J. K. Miller Survey, Abstract No. 819, Grayson County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at a point in the intersection of the south right-of-way line U. S. Highway No. 82 and the west line of said McMullen and McGloin, Abstract No. 762;

Thence North 88°23'29" East with said south right-of-way a distance of 1761.39 feet to a point;
Thence with a non-tangent curve to the right having a radius of 250.06 feet, (chord bears South 11°38'08" West, 114.66 feet) an arc length of 115.69 feet to the northeast corner of Lot 1, Preston Club, The Legends, Phase 3, an addition to the County of Grayson as recorded in Volume 17, Page 4, Plat Records, Grayson County, Texas;

Thence South 36°43'07" East with the east line of said Lot 1, a distance of 171.22 feet to a point;
Thence South 57°36'06" West with the south line of said addition, a distance of 1022.63 feet to the southwest corner of Lot 15 of said Addition, a point in the east line of Lot 1, Block 10, Preston Club, the Legends, Phase Two, an addition to the County of Grayson as recorded in Volume 10, Page 31, Plat Records, Grayson County, Texas;

Thence with the east line of said addition the following calls and distances:

South 20°46'07" East a distance of 29.05 feet to a point;
South 04°46'46" West a distance of 189.21 feet to a point;
South 29°28'58" West a distance of 678.55 feet to a point;

Thence South 40°50'30" East a distance of 258.57 feet to a point;

Thence with a curve to the right having a radius of 1116.00 feet, (chord bears South 32°22'17" East, 328.76 feet) an arc length of 329.96 feet to a point;

Thence with a compound curve to the right having a radius of 1116.00 feet, (chord bears South 21°20'01" East, 99.97 feet) an arc length of 100.00 feet to a point;

Thence with a reverse curve to the left having a radius of 722.08 feet, (chord bears South 23°07'29" East, 109.74 feet) an arc length of 109.85 feet to a point;

Thence South 27°29'00" East a distance of 104.71 feet to a point;

Thence with a curve to the left having a radius of 553.73 feet, (chord bears South 43°16'31" East, 301.39 feet) an arc length of 305.24 feet to a point;

Thence South 59°04'00" East a distance of 106.08 feet to a point;

Thence with a curve to the right having a radius of 781.94 feet, (chord bears South 46°08'28" East, 349.84 feet) an arc length of 352.82 feet to the northwest corner of Lot 29, Block 2, Preston Club, The Classics, Phase Three, an addition to the County of Grayson as recorded in Volume 19, Page 46, Plat Records, Grayson County, Texas;

Thence with the east line of said addition the following calls and distances:

North 88°05'34" East a distance of 431.89 feet to a point;
North 80°59'51" East a distance of 223.00 feet to a point;
North 89°30'09" East a distance of 282.81 feet to a point in the east line of a 5.5 acre

tract of land conveyed to Dennis A. Stangel as recorded in Volume 2238, Page 418, Deed Records;

Thence South 01°48'46" East a distance of 174.18 feet to the southwest corner of said 5.5 acre tract;

Thence North 89°15'06" East a distance of 444.28 feet to the southerly southeast corner of said 5.5 acre tract;

Thence North 01°46'58" West a distance of 415.41 feet to an ell corner in said 5.5 acre tract;

Thence North 89°11'03" East a distance of 1072.95 feet to a point in the west right-of-way line of State Highway 289;

Thence South 02°51'30" East with the west line of State Highway 289 a distance of 1546.62 feet to a point;

Thence South 89°11'03" West a distance of 250.16 feet to a point;

Thence South 02°51'30" East a distance of 67.02 feet to a point;

Thence South 83°26'47" West a distance of 203.81 feet to a point;

Thence with a curve to the left having a radius of 850.00 feet, (chord bears South 81°10'54" West, 67.18 feet) an arc length of 67.20 feet to a point;

Thence with a compound curve to the left having a radius of 850.00 feet, (chord bears South 76°13'14" West, 79.97 feet) an arc length of 80.00 feet to a point;

Thence with a compound curve to the left having a radius of 850.00 feet, (chord bears South 64°56'02" West, 253.93 feet) an arc length of 254.88 feet to a point;

Thence with a reverse curve to the right having a radius of 1630.00 feet, (chord bears South 63°35'24" West, 411.21 feet) an arc length of 412.30 feet to a point;

Thence South 01°40'15" East a distance of 3211.46 feet to a point;

Thence South 88°32'28" West a distance of 367.84 feet to the southwest corner of said J. K. Miller Survey;

Thence North 01°40'45" West with the west line of said J. K. Miller Survey, a distance of 1490.00 feet to the southeast corner of said Henry L. Douglas Survey;

Thence North 89°05'38" West with the south line of said Henry L. Douglas Survey, a distance of 3601.62 feet to the southwest corner of said Henry L. Douglas Survey;

Thence North 00°06'49" West a distance of 931.70 feet to a point;

Thence North 00°57'18" West a distance of 823.47 feet to a point;

Thence North 01°29'24" West a distance of 961.97 feet to a point;

Thence North 01°24'23" West a distance of 1006.04 feet to a point;

Thence North 88°53'00" East a distance of 301.36 feet to the southwest corner of that 16.641 acre tract of land as recorded in Volume 2338, Page 535, Deed Records, Grayson County, Texas;

Thence North 01°30'39" West with the west line of said 16.641 acre tract a distance of 957.69 feet to the northwest corner of said 16.641 acre tract;

Thence North 88°47'13" East with the north line of said 16.641 acre tract, a distance of 756.79 feet to the northeast corner of said 16.641 acre tract;

Thence North 01°30'39" West with the west line of said McMullen and McGloin Survey, a distance of 1447.70 feet to the Point of Beginning and containing 459.6 acres of land.

City of Sherman Municipal Service Plan Preston Club

INTRODUCTION:

The annexation is the site of approximately 459.6 acres southwest of U.S. Highway 82 and S.H. 289 and include Preston Club Drive, Roberts Run, and Champions Drive, lying adjacent to the City of Sherman existing city limits.

This annexation is a step in the process of providing for the orderly growth and development of the City, to protect the City from substandard development and to provide for the enlargement of the city limits by including developments and improvements that are logically a part of the City and receive city utilities.

MUNICIPAL SERVICES TO BE PROVIDED:

POLICE PROTECTION: Patrolling, radio responses to calls, and other routine police services, using present personnel and equipment will be provided on the effective date of annexation.

FIRE PROTECTION: Fire protection by the present personnel and equipment of the fire fighting force will be provided on the effective date of annexation.

SOLID WASTE: The same solid waste collection and disposal service now provided within the City of Sherman will be extended to the annexed area on the effective date of annexation.

BULK WASTE PICKUP: Free monthly bulk trash and brush pickup would be available on the effective date of annexation.

STREETS AND BRIDGES: All roads shall be accepted in current as-is conditions and shall be maintained by the current Homeowners Association. Any future streets or improvements will be developed by the standard provisions of the Developer's Ordinance with future maintenance by the City of Sherman. Street lighting will be established according to city guidelines.

PARKS: No public parks exist in the area to be annexed. Any new park facilities will be developed according to existing City policies as applicable to all city residents.

CONSTRUCTION INSPECTIONS: Building inspection activities will be available upon annexation.

ENVIRONMENTAL HEALTH AND HEALTH CODE ENFORCEMENT: Enforcement of the City's environmental health ordinances and regulations shall be provided within this area on the effective date of the annexation ordinance.

ANIMAL CONTROL: Animal control services will be provided by the City on the effective date of annexation.

PLANNING AND ZONING: The Planning and Zoning jurisdiction of the City will extend to this area on the effective date of this annexation. All areas will be annexed as an R-A on the effective date of the annexation ordinance.

CAPITAL IMPROVEMENTS:

WATER SERVICE: The City of Sherman is in the process of obtaining a CCN at this time. Upon receiving the CCN and completion of the annexation, the City of Sherman will perform the following water utility improvements:

Phase I:

- Extend water mains to development according to existing City policy

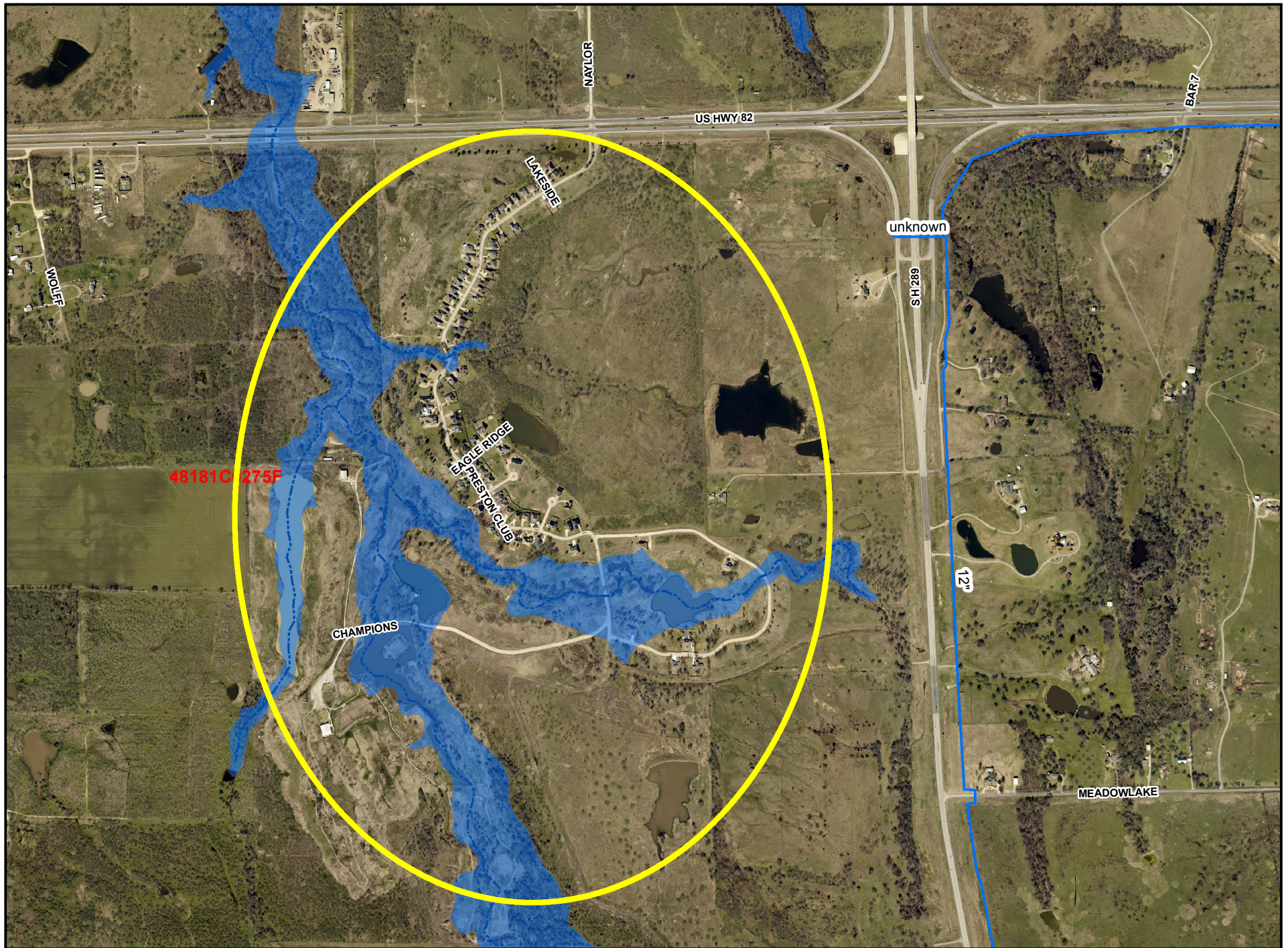
Phase II:

- Install fire hydrants in accordance with City of Sherman Subdivision Ordinance requirements and Sherman Fire Department practices

SEWER SERVICE: The City of Sherman is in the process of obtaining a CCN at this time. Upon receiving the CCN and completion of the annexation, the City of Sherman will perform the following sewer utility improvements:

- Construct new sewer lift station North of U.S. Highway 82
- Extend gravity sewer line to tie development into new lift station.

Preston Club Annexation



1 inch = 1,000 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.2.

Meeting Date: 05/01/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6025

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017"; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Officials; and Providing an Effective Date

Issue:

Consider all matters incident and related to the issuance and sale of City of Sherman, Texas, General Obligation Refunding Bonds, Series 2017, including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the City

Background:

About two weeks ago, the City was notified by Garry Kimball of Specialized Public Finance, our financial advisor, of a possible refinancing opportunity on some of our outstanding debt issued in 2006, 2008, and 2009. The savings from refunding these bonds will be about \$550,000.00 over the next thirteen years with an average of about \$42,000.00 per year. The rate on the refunding bonds will be fixed on May 9, 2017, with closing on June 13, 2017.

Origination:

Mary Lawrence, Director of Finance

Financial Consideration:

The cost of issuance of about \$178,000.00 is included in the refunding bonds.

Staff Recommendation:

The staff recommends that the Council approve this Ordinance as presented.

Alternatives:

The Council could choose not to refund the bonds.

Attachments

Ordinance No. 6024

Exhibit A - Paying Agent/Registrar Agreement

Timetable for Issuance 2017 Refunding CO

ORDINANCE NO. 6025

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT AND DELIVERY OF SAID BONDS; ESTABLISHING PROCEDURES FOR THE SALE AND DELIVERY OF THE BONDS; DELEGATING MATTERS RELATING TO THE SALE AND ISSUANCE OF THE BONDS TO AUTHORIZED CITY OFFICIALS; AND PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas (the "City") has heretofore issued, sold and delivered, and there is currently outstanding, obligations of the City of the following issues or series (hereinafter collectively referred to as the "Refunded Obligations"), to wit:

- (1) City of Sherman, Texas, General Obligation Refunding Bonds, Series 2006, dated January 15, 2006 (the "Series 2006 Refunded Bonds"); and
- (2) City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2008, dated March 1, 2008 (the "Series 2008 Refunded Certificates");
- (3) City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2009, dated April 1, 2009 (the "Series 2009 Refunded Certificates");
- (4) City of Sherman, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2009A, dated September 1, 2009 (the "Series 2009A Refunded Certificates"); and

WHEREAS, pursuant to the provisions Texas Government Code, Chapter 1207, as amended (the "Chapter 1207"), the City Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Obligations, or other authorized depository, and such deposit, when made in accordance with said statute and the ordinances authorizing the issuance of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Section 1207.007, Texas Government Code, as amended, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued

and to negotiate the terms of sale thereof and to select the specific maturities (whole or part) of the Refunded Obligations to be refunded; and

WHEREAS, the City Council hereby finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Obligations in order to achieve a present value debt service savings and to authorize the issuance of the Bonds with the terms of such Bonds to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with the provisions of Chapter 1207;

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation refunding bonds of the City shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017" (hereinafter referred to as the "Bonds"), for the purpose of providing funds for the discharge and final payment of certain obligations of the City (described in the preamble hereof and finally identified in the Pricing Certificate and referred to herein as the "Refunded Obligations") and to pay the costs and expenses of issuance, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 1207.

SECTION 2: Bond Date - Fully Registered Obligations - Terms. The Bonds shall be dated (the "Bond Date") as provided in the Pricing Certificate. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer. (a) As authorized by Section 1207.007, Texas Government Code, as amended, the City Manager or Director of Finance of the City (either, the "Pricing Officer") are hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including selection of the specific maturities or series (whole or part) of the Refunded Obligations to be refunded, determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or

competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrar, the designation of an escrow agent satisfying the requirements of Chapter 1207, the terms of any bond insurance applicable to the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 29 hereof, all of which shall be specified in the Pricing Certificate, provided that:

- (a) the aggregate original principal amount of the Bonds shall not exceed \$10,500,000;
- (b) the refunding must produce present value debt service savings of at least 3.00% net of any contribution by the City;
- (c) the maximum maturity date for the Bonds shall not exceed August 15, 2030.

(b) The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined). The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 180 days from the date hereof.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the "Designated Payment/Transfer Office"); provided, however, while a Bond is registered to Cede & Co., the payment thereof upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest due on the Bonds shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of the Paying Agent/Registrar Agreement and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bonds authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the

Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Bonds issued upon any such transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 4 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in

accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representation by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC and who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s)

shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Bonds to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. The Pricing Certificate shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED NO. _____	REGISTERED \$ _____
UNITED STATES OF AMERICA STATE OF TEXAS CITY OF SHERMAN, TEXAS GENERAL OBLIGATION REFUNDING BOND SERIES 2017	
Bond Date: _____, 2017	Interest Rate: _____ %
Stated Maturity: _____, _____	CUSIP NO: _____

Registered Owner:

Principal Amount:

The City of Sherman (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or upon its prior redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for the discharge and final payment of certain outstanding obligations of the City and paying costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

[The Bonds maturing on the dates hereinafter identified (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Bonds due		Term Bonds due	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like Stated Maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by

the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor

the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforestated. In case any provision in this Bond shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF SHERMAN, TEXAS

Mayor

COUNTERSIGNED:

City Clerk

(SEAL)

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee):_____

(Social Security or other identifying number_____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bonds shall be in the form set forth therefor in Subsection (b) of this Section, except a single Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SHERMAN, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2017

Bond Date:

Registered Owner:

Principal Amount:

DOLLARS

The City of Sherman (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Grayson, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in the years and in principal installments in accordance with the following schedule:

STATED
MATURITY

PRINCIPAL
INSTALLMENTS

INTEREST
RATE

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each _____ and _____ thereafter, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2017 Refunding Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance and City Clerk of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/ Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

PROVIDED, however, in regard to the payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, if any, sufficient current funds will be available and are hereby appropriated to make such payments; and the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Clerk of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such current funds which, together with the accrued interest received from the initial purchasers, will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

SECTION 11: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/ Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements and other obligations of the City to the Holders shall thereupon cease, terminate and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Unless otherwise provided in the Pricing Certificate, the term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to

reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance, together with the Pricing Certificate, shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 29 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or any provision in the Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders who own a majority of the aggregate of the principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance or any provision in the Pricing Certificate; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/ Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely

affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

- (a) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and
- (b) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield

from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

- (i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
- (ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.
- (iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date,

ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

- (iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance and City Clerk, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds. (1) At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three years after such obligations were issued and (2) not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding. The Bonds is a current refunding of the Series 2006 Refunded Bonds in that the Series 2006 Refunded Bonds will be paid or redeemed within 90 days of the date of the delivery of the Bonds.

(m) Qualified Advance Refunding. The Bonds will be issued more than 90 days before the redemption of the Series 2008 Refunded Certificates, the Series 2009 Refunded Certificates and the Series 2009A Refunded Certificates (collectively, the "Advance Refunded Certificates"). The City represents as follows:

- (a) The Bonds are the first advance refunding of the Advance Refunded Certificates, within the meaning of section 149(d)(3) of the Code.
- (b) The Advance Refunded Certificates are being called for redemption, and will be redeemed not later than the earliest date on which such bonds may be redeemed.
- (c) The initial temporary period under section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Advance Refunded Certificates on the Closing Date if not ended prior thereto.
- (d) On and after the date of issue of the Bonds, no proceeds of the Advance Refunded Certificates will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such respective series of Advance Refunded Certificates.
- (e) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the City has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on "abusive arbitrage device" within the meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a "device" to obtain a material financial advantage based on arbitrage, within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

SECTION 15: Sale of Bonds - Official Statement. The Bonds authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with a bond purchase agreement (the "Purchase Contract"), (ii) by private placement, in accordance with an agreement to purchase or other agreement, or (iii) by competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the City and as the act and deed of this Council.

With regard to such terms and provisions of said Purchase Contract as a result of a negotiated sale, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of the public offering of the Bonds by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;
4. A security deposit for the Bonds;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

The Mayor and City Clerk of the City are further authorized and directed to deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 16: Special Escrow Agreement. A "Special Escrow Agreement" (the "Escrow Agreement") by and between the City and an authorized escrow agent (the "Escrow Agent") shall be attached to, and approved in, the Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by the City Council and constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of said Escrow Agreement, a Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

- (a) The identification of the Refunded Obligations;
- (b) The creation and funding of the Escrow Fund or Funds; and
- (c) The Escrow Agent's compensation, administration of the Escrow Fund or Funds, and the settlement of any paying agents' charges relating to the Refunded Obligations.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017 ESCROW FUND" (referred to herein as the "Escrow Fund"), or such other

designation as specified on the Pricing Certificate; all as contemplated and provided in Chapter 1207, the Ordinance, the Pricing Certificate, and the Escrow Agreement.

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Obligations an amount which, together with the proceeds of sale, and the investment earnings thereon, as applicable, will be sufficient to pay in full the Refunded Obligations (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the Pricing Certificate for the redemption of any of the Refunded Obligations (or the earliest date of payment, to be made from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

SECTION 17: Refunded Obligations. (a) In order to provide for the refunding, discharge and retirement of the Refunded Obligations, the Refunded Obligations identified, described and in the amounts set forth in the Pricing Certificate are called for redemption on the first date(s) such Refunded Obligations are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption dates, and notices of such redemption shall be given in accordance with the applicable provisions of the ordinances adopted by the City Council of the City, which authorized the issuance of the Refunded Obligations. The Pricing Officer is hereby authorized and directed to provide documentation, including a copy of this Ordinance and the Pricing Certificate, to the paying agent/registrar(s) for the Refunded Obligations, together with suggested form(s) of notice of redemption to be sent to holders, such suggested form(s) of notice of redemption for the Refunded Obligations to be substantially the form(s) set forth as an exhibit(s) to the Pricing Certificate, in accordance with the redemption provisions applicable to the Refunded Obligations

(b) Each paying agent/registrar for Refunded Obligations is hereby directed to provide the appropriate notice of redemption as required by the respective ordinances authorizing the Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on the redemption date.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement finalized by the Pricing Officer and approved in Section 16 of this Ordinance and by the Pricing Officer in the Pricing Certificate.

SECTION 18: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 19: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any accrued interest received from the Purchasers of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement or deposited with the paying agent/registrar for the Refunded Obligations for the payment and redemption of the Refunded Obligations. The proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying agent/registrar for the Refunded Obligations) for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the City or its financial advisor. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Interest and Sinking Fund as shall be determined by the City Council of the City.

Additionally, the Pricing Officer shall determine the amount of any City contribution to the refunding from moneys on deposit in the debt service fund and/or reserve fund maintained for the payment of the Refunded Obligations.

SECTION 20: Notices to Holders - Waiver. Wherever this Ordinance or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 21: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 22: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, approving such Bonds as to their validity, said opinion to be dated and

delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds.

SECTION 23: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 24: Benefits of Ordinance. Nothing in this Ordinance or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or the Pricing Certificate, and this Ordinance and all its provisions and the Pricing Certificate being intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 25: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 26: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 28: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 29: Continuing Disclosure Undertaking. The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Section 29 shall apply.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

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

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section with respect to the City and the Bonds while, but only while, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City

undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the City or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City and the State of Texas (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 30: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 31: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance and City Clerk are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance or City Clerk, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 32: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 33: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 34: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 35: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[remainder of page left blank intentionally]

INTRODUCED on this the _____ day of _____, 2017.

ADOPTED on this the _____ day of _____, 2017.

EFFECTIVE DATE on this the _____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the _____ (the "Bank") and the City of Sherman, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Sherman, Texas, General Obligation Refunding Bonds, Series 2017" (the "Securities"), dated _____, 2017, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2017; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 **Appointment**. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 **Compensation**. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means Specialized Public Finance, Inc.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 **Other Definitions.** The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 **Duties of Paying Agent.** As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/
Registered/Certified

Express Delivery Only

By Hand Only

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 **Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 **Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such

other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 **Securities**. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 **Form of Security Register**. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 **List of Security Holders**. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 **Return of Cancelled Securities.** The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 **Mutilated, Destroyed, Lost or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 **Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 **Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction,

consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 **Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 **May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 **Moneys Held by Bank - Paying Agent Account/Collateralization.** A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become

due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 **Indemnification**. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 **Interpleader**. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 **DTC Services**. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 **Amendment**. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 **Assignment**. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 **Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page hereof.

Section 6.04 **Effect of Headings.** The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 **Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 **Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 **Merger, Conversion, Consolidation, or Succession.** Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 **Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 **Entire Agreement.** This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 **Termination.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and

records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 **Governing Law**. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address:

Attest:

Title: _____

CITY OF SHERMAN, TEXAS

By: _____
Pricing Officer

Address: 220 West Mulberry Street
Sherman, Texas 75090



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

City of Sherman, Texas GO Refunding Bonds, Series 2017

Tentative Timetable for Issuance

Thursday	April 20, 2017	Draft Bond Offering Documents distributed for comments by FA. Bond rating applied for by FA.
Thursday	April 27, 2017	Comments received on Bond Offering Documents.
Monday	May 1, 2017*	Delegation authority approved by City Council allowing pricing to occur within approved parameters.
Tuesday	May 2, 2017	Bond Offering Documents posted with i-Deal.
Thursday	May 4, 2017	Bond rating due.
Tuesday	May 9, 2017	Pricing. Rates fixed on Refunding Bonds.
Tuesday	June 13, 2017	Closing (subject to AG approval).

* Denotes official City Council meeting.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.3.

Meeting Date: 05/01/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number: 6025

Issue:

D. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6025

Authorizing the Issuance of "CITY OF SHERMAN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017"; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Said Bonds; Resolving Other Matters Incident and Related to the Issuance, Sale, Payment and Delivery of Said Bonds; Establishing Procedures for the Sale and Delivery of the Bonds; Delegating Matters Relating to the Sale and Issuance of the Bonds to Authorized City Officials; and Providing an Effective Date



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.4.

Meeting Date: 05/01/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Issue:

E. 4. * RESOLUTION NO. 6216

Awarding a Bid to and Authorizing Execution of an Exclusive Concession Stand License Agreement with Otis Foster, III and Mavis Regina Foster dba Sugar Bear for the Operation of a Concession Stand in Fairview, Hawn, and Rosedale Parks Consistent with Schedules Provided by the Parks and Recreation Department

F. 1. * CHANGE ORDER NO. 1

Solid Waste Cart Barn Construction Project; Jerry Paul Higgins, Ltd.; \$34,839.00 Increase



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.1.

Meeting Date: 05/01/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6213

Authorizing Execution of an Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #5

Issue:

Approving an Agreement with Grayson County for participation in the Tax Increment Reinvestment Zone #5

Background:

At the February 20, 2017 City Council meeting, the Council passed Ordinance No. 6010 forming Tax Increment Reinvestment Zone Number Five (TIRZ #5). Both the City and Grayson County are expected to participate by contributing 75% of their tax rate that is allocated to the general fund to the TIRZ #5 Fund. The County will appoint one of the five board members to the TIRZ #5 Board.

Origination:

City Council

Financial Consideration:

There is no cost associated with this Agreement.

Staff Recommendation:

The staff recommends approval of this Agreement.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6213

Agreement for Participation in TIRZ #5

RESOLUTION NO. 6213

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #5; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #5, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Five**

THIS *City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Five* (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6010 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Five, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the

City Council of the City in accordance with the *Reinvestment Zone Number Five, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Five, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").

- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall to be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$4,086,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.
- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing seventy-five percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381

Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 5. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 6. Venue shall be exclusively in Grayson County, Texas.

Section 7. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.

EXECUTED this _____ day of _____, 2017, by the City signing by and through the City Manager as its duly authorized official; and

EXECUTED this _____ day of _____, 2017, by Grayson County signing by and through the County Judge as its duly authorized official.

CITY OF SHERMAN

GRAYSON COUNTY

BY: _____
Robby Hefton, City Manager

BY: _____
Bill Magers, County Judge

ATTEST:

BY: _____
Linda Ashby, City Clerk

**APPROVED AS TO FORM AND
CONTENT:**

BY: _____
Brandon Shelby, City Attorney



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.2.

Meeting Date: 05/01/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6214

Authorizing Execution of an Agreement between the City of Sherman and Grayson County to Participate in the Sherman Tax Increment Reinvestment Zone #6

Issue:

Approving an Agreement with Grayson County for participation in the Tax Increment Reinvestment Zone #6.

Background:

At the February 20, 2017 City Council meeting, the Council passed Ordinance No. 6011 forming Tax Increment Reinvestment Zone Number Six (TIRZ #6). Both the City and Grayson County are expected to participate by contributing 75% of their tax rate that is allocated to the general fund to the TIRZ #6 Fund. The County will appoint one of the five board members to the TIRZ #6 Board.

Origination:

City Council

Financial Consideration:

There is no cost associated with this Agreement.

Staff Recommendation:

The staff recommends approval of this Agreement.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6214

Agreement for Participation in TIRZ #6

RESOLUTION NO. 6214

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SHERMAN AND GRAYSON COUNTY TO PARTICIPATE IN THE SHERMAN TAX INCREMENT REINVESTMENT ZONE #6; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Agreement with Grayson County for the County's participation in the Sherman Tax Increment Reinvestment Zone #6, as set forth below and in accordance with the terms and provisions of the Agreement attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

**City of Sherman and Grayson County
Agreement to Participate
in the
Sherman Tax Increment Reinvestment Zone Number Six**

THIS *City of Sherman and Grayson County Agreement to Participate in the Sherman Tax Increment Reinvestment Zone Number Six* (this "Agreement") is made and entered into by and between the City of Sherman, Texas, a municipal corporation (the "City"), and Grayson County, Texas (the "County") under the authority of Texas Government Code Chapter 791.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and after due notice to the Grayson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. 6011 (the "Zone Ordinance") adopted on February 20, 2017, created, established, and designated Reinvestment Zone Number Six, City of Sherman, Texas (the "Reinvestment Zone") under the Act; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund created for the zone any of the unit's tax increment produced from property in the zone unless the taxing unit enters into a tax participation agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax participation agreement under the Act may be entered into any time before or after the zone is created, and such tax participation agreement may include any conditions for payment of the tax increment into the tax increment fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which the tax increment is to be paid into the tax increment fund.

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The County agrees to pay to the City for deposit into the tax increment fund created by the City for the Reinvestment Zone (the "TIRZ Fund") over the term of the Reinvestment Zone the County's tax increment calculated as a millage rate per \$100 of captured appraised value in the Reinvestment Zone that equals 75% of the County's tax rate allocated to the general fund (excluding only that portion of the County's tax rate allocated to the County's Road & Bridge and Improvement Fund) (the "County Increment") subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those described in the Zone Ordinance, as amended upon recommendation of the Board of Directors of the Reinvestment Zone (the "Board") and approved by the

City Council of the City in accordance with the *Reinvestment Zone Number Six, City of Sherman, Texas, Final Project and Financing Plan*, as amended (the "Final Plan"), and in accordance with the *REIMBURSEMENT AGREEMENT Reinvestment Zone Number Six, City of Sherman, Texas*, between the City and the owner of the property in the Reinvestment Zone, as amended (the "Reimbursement Agreement").

- b. Development in the Zone: Property within the boundaries of the Reinvestment Zone shall to be developed as nearly as possible in conformity with the Final Plan.
- c. Taxable Value: The captured appraised value of the property in the Reinvestment Zone (the "Property") taxable by the County for a year is the total taxable value of the Property for that year less the tax increment base of the Property. The tax increment base of the Property is the total taxable value of the Property for the year 2016. The tax increment base of the Property is approximately \$5,961,000. The actual captured appraised value of the Property will be used to calculate the annual County Increment paid to the City and deposited in the TIRZ Fund pursuant to this Agreement.
- d. Bond Limit: No bonded indebtedness issued by the County or the City and secured by the TIRZ Fund is contemplated.
- e. Use of the County Increment: All amounts paid into the TIRZ Fund shall first be used to pay the administrative costs incurred by the County and the City in connection with the creation of the Reinvestment Zone and the organization and operation of the Board ("Administrative Costs") and then to pay "Project Costs" approved by the City as defined in, and in accordance with, the Final Plan and Reimbursement Agreement.

Section 2. For and in consideration of the agreement of the parties set forth herein, and subject to the provisions of this Agreement, the County agrees to participate in the Reinvestment Zone by contributing seventy-Six percent (75%) of the County Increment to the City to be deposited into the TIRZ Fund to first reimburse Administrative Costs and then to pay Project Costs. Payment of the County Increment shall be due from actual property tax revenue received within sixty (60) days of receipt and shall be payable to the City for immediate deposit into the TIRZ Fund. No interest or penalty will be charged to the County for any late payment received from the County. However, the penalty and interest received by the County on any delinquent taxes from the County shall be paid to the City and deposited into the TIRZ Fund, less any collection fees incurred by the County. The County is not obligated to pay the County Increment from any source other than the real property taxes collected by the County in the Reinvestment Zone. For and during the term of this Agreement the County shall not enter into any agreements that would reduce the County Increment (including, but not limited to, tax abatement agreements and Texas Local Government Code "381

Economic Development Agreements") without the consent of the City and the "Owner" under the Reimbursement Agreement.

Section 3. The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall terminate upon termination of the Reinvestment Zone.

Section 4. This Agreement and the TIRZ Fund shall be administered by the City Manager or his designees. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County Increment, the City tax increment (as defined in the Zone Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the TIRZ Fund through its representation on the Board.

Section 5. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time):

If intended for the City, to:

City Manager
City of Sherman
220 West Mulberry
Sherman, TX 75090

If intended for the County, to:

County Judge
Grayson County
Grayson County Courthouse
100 W. Houston
Sherman, TX 75090

Section 6. Venue shall be exclusively in Grayson County, Texas.

Section 7. This Agreement embodies the complete understanding of City and the County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and the County. The provisions of this Agreement that obligate the County to pay annually to the City the County Increment for deposit into the TIRZ Fund for the term of the Reinvestment Zone may only be amended, modified, or supplemented by an instrument in writing executed by the "Owner" under the Reimbursement Agreement. Any amendments to this Agreement required by changes in state or federal law will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law.

EXECUTED this _____ day of _____, 2017, by the City signing by and through the City Manager as its duly authorized official; and

EXECUTED this _____ day of _____, 2017, by Grayson County signing by and through the County Judge as its duly authorized official.

CITY OF SHERMAN

GRAYSON COUNTY

BY: _____
Robby Hefton, City Manager

BY: _____
Bill Magers, County Judge

ATTEST:

BY: _____
Linda Ashby, City Clerk

**APPROVED AS TO FORM AND
CONTENT:**

BY: _____
Brandon Shelby, City Attorney



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.3.

Meeting Date: 05/01/2017

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6215

Authorizing the Acceptance of a Conveyance Document from Artemio Cantu and Maria Cantu for the Conveyance of Property located at 1309 Churchill Way, being Lots 22 and 23, Block 2 of Churchill Park Addition to the City of Sherman, Texas, as shown by Plat of Record in Volume 2, Page 92 of the Plat Records of Grayson County, Texas, being more particularly described in the Exhibit "A" attached hereto and made a part hereof for all purposes

Issue:

To consider the acceptance of a conveyance document for the purchase of property at 1309 Churchill Way in the City of Sherman

Background:

The Flood Mitigation Assistance (FMA) Program through the Federal Emergency Management Agency (FEMA) assists with funding for specific properties to be purchased voluntarily with each respective owner's consent. As this property is within the floodplain, it is a candidate for use under this program.

After purchase, the property will be cleared of all structures and maintained as an open space consistent with natural floodplain functions for the City of Sherman. This property will have special deed restrictions preventing any type of structure that would be consistently occupied. This purchase and restrictive covenant reduces the risk of any future property damage in addition to reducing any citizen risks when floodwaters rise. Said purchase will be handled by Red River Title Company, with the conveyance document being prepared by Hynds & Gordon, P.C.

Origination:

Engineering Department

Financial Consideration:

The sales price of \$96,000.00 along with closing fees will be funded and reimbursed through the 2015 Flood Mitigation Assistance Project Grant by FEMA at 90%.

Staff Recommendation:

Staff recommends that the City Council approve the resolution to authorize the purchase and conveyance of the subject property.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6215

Location Map

RESOLUTION NO. 6215

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE OF A CONVEYANCE DOCUMENT FROM ARTEMIO CANTU AND MARIA CANTU FOR THE CONVEYANCE OF PROPERTY LOCATED AT 1309 CHURCHILL WAY, BEING LOTS 22 AND 23, BLOCK 2 OF CHURCHILL PARK ADDITION TO THE CITY OF SHERMAN, TEXAS, AS SHOWN BY PLAT OF RECORD IN VOLUME 2, PAGE 92 OF THE PLAT RECORDS OF GRAYSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED IN THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to accept a Conveyance Document from Artemio Cantu and Maria Cantu for the conveyance of a tract of land located at 1309 Churchill Way in Sherman, Texas, being Lots 22 & 23, Block 2 of the Churchill Park Addition to the City of Sherman, Texas, being more particularly described in the Exhibit "A" attached hereto and made a part hereof for all purposes. Said conveyance document will be prepared by Hynds & Gordon, P.C. as a part of the closing documents being contracted through Red River Title Company.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

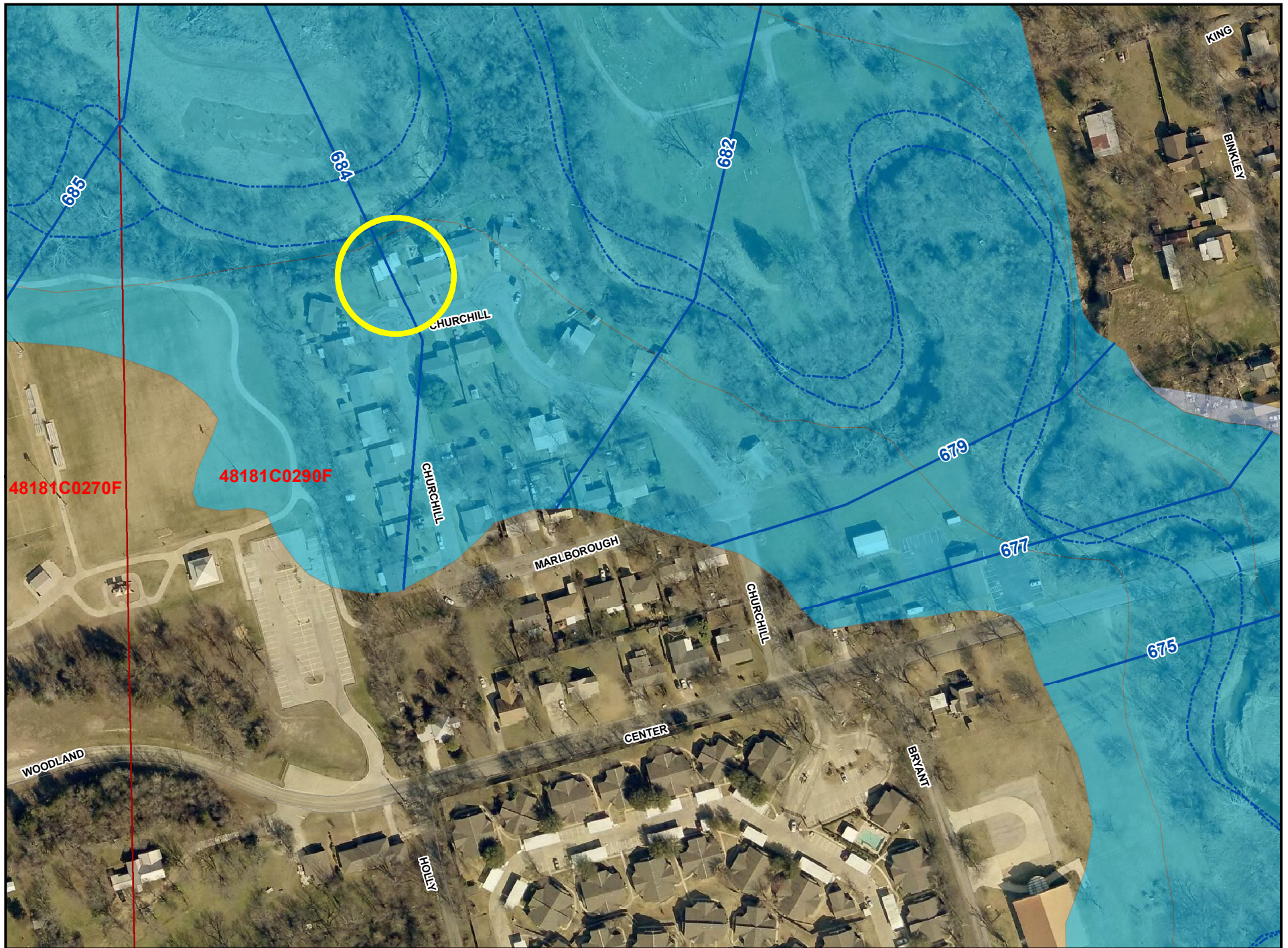
BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
**BRANDON S. SHELBY,
CITY ATTORNEY**

1309 Churchill Way



1 inch = 200 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.4.

Meeting Date: 05/01/2017

Prepared By: Theresa Hutchinson, Parks & Recreation Manager

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6216**

Awarding a Bid to and Authorizing Execution of an Exclusive Concession Stand License Agreement with Otis Foster, III and Mavis Regina Foster dba Sugar Bear for the Operation of a Concession Stand in Fairview, Hawn, and Rosedale Parks Consistent with Schedules Provided by the Parks and Recreation Department

Issue:

To consider awarding a bid to and authorizing execution of an exclusive concession stand license agreement with Otis Foster, III and Mavis Regina Foster dba Sugar Bear (Sugar Bear) for the annual concession operations for designated events at Fairview, Hawn and Rosedale Parks

Background:

At the February 6, 2017 meeting, the City Council approved a request to advertise for public bids for annual concession stand operations. Two bids were accepted and opened on March 1, 2017, with both bidders offering 10% of gross revenues to the City of Sherman to operate concessions. City staff recommends the award and authorization of this licensing agreement to Sugar Bear of Sherman, Texas. The City incurs no annual costs associated with this agreement.

Origination:

Parks and Recreation Department

Financial Consideration:

No annual costs are incurred by the City.

Staff Recommendation:

Award the bid and authorize the City Manager to execute an agreement with Sugar Bear of Sherman, Texas.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6216

Exclusive Concession Stand License Agreement

Bid Tabulation

Location Map

RESOLUTION NO. 6216

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS AWARDDING A BID TO AND AUTHORIZING EXECUTION OF AN EXCLUSIVE CONCESSION STAND LICENSE AGREEMENT WITH OTIS FOSTER, III AND MAVIS REGINA FOSTER DBA SUGAR BEAR FOR THE OPERATION OF A CONCESSION STAND IN FAIRVIEW, HAWN, AND ROSEDALE PARKS CONSISTENT WITH SCHEDULES PROVIDED BY THE PARKS AND RECREATION DEPARTMENT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Otis Foster, III and Mavis Regina Foster dba Sugar Bear of Sherman, Texas, is hereby granted an exclusive license to operate a street vendor concession, in accordance with all bid documentation and license agreement attached hereto and incorporated herein for all purposes.

SECTION 2. That the City Manager be and is hereby authorized and directed, subject to all license documents being properly completed and approved as to form and content by the City Attorney, to execute an exclusive concession stand license agreement with Otis Foster, III and Mavis Regina Foster dba Sugar Bear for the operation of a concession stand in Fairview Park, Hawn Park, and Rosedale Park, for a period of twelve (12) months commencing May 1, 2017, and ending April 30, 2018, with four, one-year renewals in the same, or substantially the same, form as the license documents attached hereto and incorporated herein for all purposes.

SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the ____ day of _____, 2017.

CITY OF SHERMAN, TEXAS

BY:

DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

EXCLUSIVE CONCESSION STAND LICENSE AGREEMENT

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

THIS LICENSE AGREEMENT, made and entered into by and between the **CITY OF SHERMAN, TEXAS**, a municipal corporation of the State of Texas, hereinafter called "LICENSOR", and **OTIS FOSTER, III and MAVIS REGINA FOSTER dba SUGAR BEAR** of Sherman, Texas, hereinafter called "LICENSEE",

W I T N E S S E T H:

1. DEFINITIONS:

- A. **STREET VENDOR** shall mean an individual authorized to sell food, drinks, or other designated products from an approved vehicle or trailer located upon a hard non-porous surface suitable for vehicular travel for no longer than 24 hours at any one location.
- B. **EXCLUSIVE RIGHT** shall mean exclusive as to all other street vendors in the contracted for areas and time of operations and shall not include identifiable groups or organizations offering food, drinks or other products to their members, and all attendees, supporters, fans or participants.

2. **LICENSE:** LICENSEE is hereby granted an exclusive license to operate a street vendor concession stand at Fairview Park, Hawn Park, and Rosedale Park, for a period of twelve (12) months commencing on May 1, 2017, through April 30, 2018, under the following terms and conditions. Reference is hereby made to specifications and requirements of the Bid Specifications prepared by LICENSOR and the Bid Proposal submitted by LICENSEE in answer to LICENSOR's Bid Specifications. All of the specifications and requirements of LICENSOR's Bid Specifications and the LICENSEE's Bid Proposal are incorporated herein as Exhibit "A" and made a part hereof for all purposes. This agreement may be renewed under the same terms and conditions for four, one-year periods at the mutual consent of the parties.

3. **INSURANCE:** LICENSEE shall keep in force at all times during the terms of this license public liability insurance and product liability insurance in the total aggregate amount of one million dollars (\$1,000,000) and three hundred thousand dollars (\$300,000) per incident and one hundred thousand dollars (\$100,000) per person, naming the City of Sherman, Texas, as an additional insured. Proof of such insurance shall be delivered to the City Clerk before the business operations begin.

4. **APPLICABLE LAWS:** LICENSEE shall obtain all appropriate licenses and certifications for the preparation and sale of food products and shall comply with all state and city codes, rules, regulations, ordinances, laws and statutes and particularly, but not limited to, those that pertain to health and sanitary conditions.
5. **CLEANLINESS:** LICENSEE and LICENSEE's workers shall be clean, neat and presentable at all times and shall, during the hours of operation, keep the area within one hundred feet (100') of the concession stand free from trash, litter, junk and debris that originates from LICENSEE or LICENSEE's customers by picking up such items and placing them in a proper receptacle for disposal. Immediately after the close of business on each day of business, LICENSEE shall patrol the area within one hundred feet (100') of the concession stand and pick up and remove all such accumulated trash, litter, junk and debris.
6. **COURTESY:** LICENSEE and LICENSEE's workers shall be polite, courteous, orderly and attentive to all customers and potential customers of LICENSEE. Profane or vulgar language or behavior is prohibited.
7. **DRUGS:** LICENSEE and LICENSEE's workers shall not operate the concession stand while under the influence of alcohol or any controlled substance or immediately after drinking alcohol or using a controlled substance.
8. **PRODUCT:** LICENSEE shall operate a concession stand only for the making and sale of food products and non-alcoholic drinks in accordance with the attached product and price list marked Exhibit "A" and made a part hereof for all purposes.
9. **PROPERTY DAMAGE:** LICENSOR shall not be responsible for any personal property damage or personal injury to LICENSEE or LICENSEE's workers, or the loss or theft of any personal property not caused solely by LICENSOR or LICENSOR's employees.
10. **DUTY:** It is the duty and obligation of LICENSEE and LICENSEE's workers to carefully and thoroughly inspect the work place, stand, equipment and the immediate surrounding area each and every day when they report for work to ensure that everything is in a safe and workable condition. Any unusual, unsafe or dangerous conditions shall be immediately reported to the Parks Administrator and to all other LICENSEE workers. All concession stand business shall be postponed, where such unsafe or dangerous conditions might injure LICENSEE, LICENSEE's workers or LICENSEE's customers or potential customers, until such condition is repaired to a safe condition.
11. **EQUIPMENT:** LICENSEE shall furnish suitable and sufficient concession trailers and equipment, at LICENSEE's sole cost and expense, necessary to provide the services hereunder. Trailers must be fitted with self-contained water and sewer tanks that meet all local and state health codes. LICENSEE further agrees to coordinate with the local electric utility company and LICENSOR for power supplies and meters with billing in LICENSEE's name and address.
12. **LICENSE FEE:** LICENSEE shall pay to LICENSOR ten percent (10%) of all revenues received by LICENSEE in the operation of the concession stand. All fees shall be paid unto

LICENSOR monthly as they are received and shall be tendered not later than the tenth (10th) day of the month thereafter. LICENSOR shall have reasonable access to LICENSEE's records involving business conducted pursuant to this license. All information gained by LICENSOR through any inspection of LICENSEE's business records shall be deemed confidential and LICENSEE's proprietary information. LICENSEE shall accurately record each and every sale and the total price thereof at the time of each transaction. Each location for which LICENSEE has a license to operate shall have a separate and distinct record of its sales and receipts.

13. **PRICING:** The prices charged for concession stand products by LICENSEE shall be subject to the approval of the Parks Administrator. A list of the prices to be charged shall be submitted to the Parks Director before business operations begin. No changes in the prices charged shall be made without the prior written approval of the Parks Administrator.

14. **LOCATION:** The exact location of LICENSEE's vehicles, stands, trailers and equipment shall at all times meet with the approval of the Parks Administrator and at no time shall such items interfere with traffic or pedestrian movement, the operation of the park or the people using the park.

15. **ASSIGNMENT:** This exclusive license shall not be assigned, transferred or conveyed and any attempt to do so shall be void.

16. **TERMINATION:** This exclusive license may be terminated by either LICENSOR or LICENSEE, with or without cause, and without liability to either LICENSOR or LICENSEE, upon thirty (30) days written notice.

17. **INDEMNIFICATION:** LICENSEE agrees and does hereby fully indemnify and hold harmless LICENSOR, its officers and employees from all suits, actions, claims or demands arising directly or indirectly from the operation of the concession stands licensed under the agreement, and not caused by the sole act of LICENSOR, from any and all liability, damages, expenses, attorney fees from any personal injury (including death) or property damage (including loss of use). This indemnification and hold harmless shall apply to any imputed or actual joint enterprise liability.

18. **NEW AGREEMENT:** By signing this agreement, both parties hereby revoke and terminate, without liability, their prior agreement entered into on the 19th day of March, 2002.

LICENSOR:
CITY OF SHERMAN, TEXAS

LICENSEE:
OTIS FOSTER, III and MAVIS
REGINA FOSTER dba SUGAR BEAR

By: _____
Name: **ROBBY HEFTON**
Title: **CITY MANAGER**
Date Signed: _____

By: _____
Name: **OTIS FOSTER, III**
Title: **OWNER**
Date Signed: _____

ATTEST:

By: _____
Name: LINDA ASHBY
Title: CITY CLERK

**APPROVED AS TO FORM AND
CONTENT:**

By: _____
Name: BRANDON S. SHELBY
Title: CITY ATTORNEY

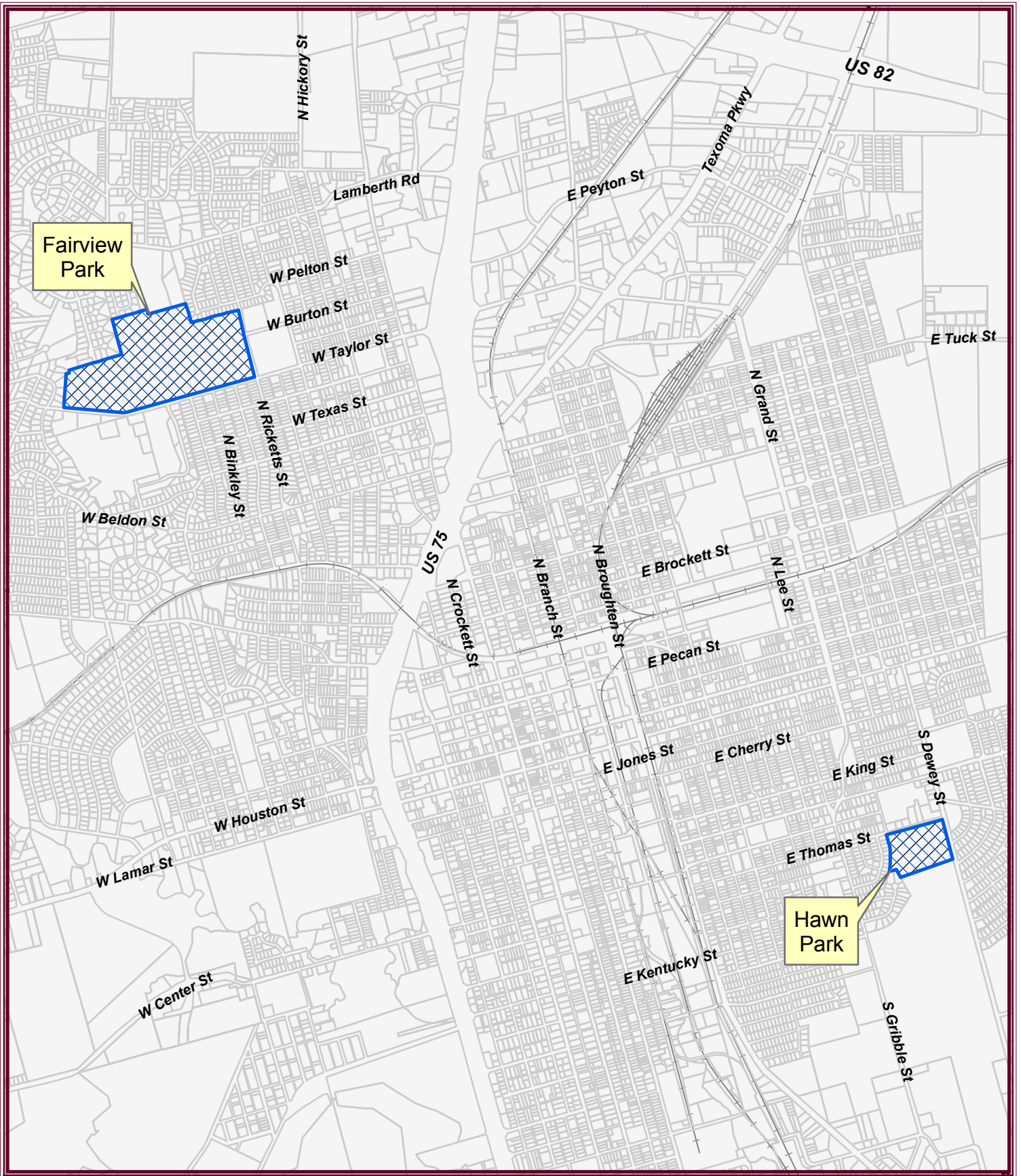
By: _____
Name: MAVIS REGINA FOSTER
Title: GENERAL MANAGER
Date Signed: _____

Address: 305 SEASONS WEST
SHERMAN, TEXAS 75092
Phone No.: 903-819-4167

CITY OF SHERMAN
BID TABULATION
Request for Proposal for Concession Operations
BID OPENING Wednesday, March 1, 2017; 3:00 PM

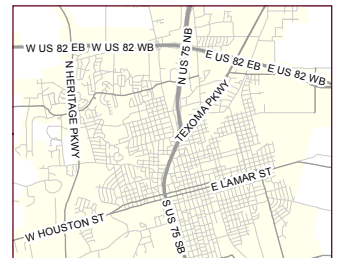
Vendor	% of Gross revenues to be paid to the City of Sherman	NOTES
Sugar Bear	10%	
MD Executive, LLC	10%	

diagram: H:\ENGINEER\GIS\Maps\Agenda\Maps\Concessions_042517.mxd



City of Sherman Parks & Recreations (Concessions)

4/25/2017





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

F.1.

Meeting Date: 05/01/2017

Prepared By: Kevin Winkler, Public Works Manager

Approved By: Robby Hefton, City Manager

Caption:

*** CHANGE ORDER NO. 1**

Solid Waste Cart Barn Construction Project; Jerry Paul Higgins, Ltd.; \$34,839.00 Increase

Issue:

To consider approval of a change order and final payment for the Solid Waste Cart Barn Construction Project

Background:

In June of 2016, a bid process was completed which awarded the Solid Waste Cart Barn construction project to Jerry Paul Higgins, Ltd. and was in the amount of \$164,773.00. During the initial construction assessment meeting, it was established that there was a need for a more intensive foundation to assure the integrity of this new building. Additional design was completed by the contractor and their engineer. This design will increase the contract by an additional \$34,839.00 to complete.

Origination:

Solid Waste Department

Financial Consideration:

The Change Order results in a \$34,839.00 increase in the contract amount, yielding a final contract price of \$199,612.00, and will be paid out of the 2016-2017 Solid Waste Fund.

Staff Recommendation:

It is recommended that Change Order No. 1 and final payment for this project be approved.

Alternatives:

As may be directed by the City Council

Attachments

Change Order No. 1

Location Map

JERRY PAUL HIGGINS, LTD.

P O BOX 1865

SHERMAN, TEXAS 75091-1865

PHONE (903) 893-0672

FAX (903) 892-4628

jph@jphigginsltd.com

Date: April 20, 2017

**To: Kevin Winkler
City Of Sherman
P O Box 1106
Sherman, TX 75091-1106**

**From: Don Charles Whitley
JERRY PAUL HIGGINS, LTD.
P O Box 1865
Sherman, TX 75091-1865**

Re: City of Sherman Cart Storage Foundation – (Change Order #1)

Original Contract - \$ 164,773.00

Additional cost for Concrete Slab and Building - \$ 34,839.00

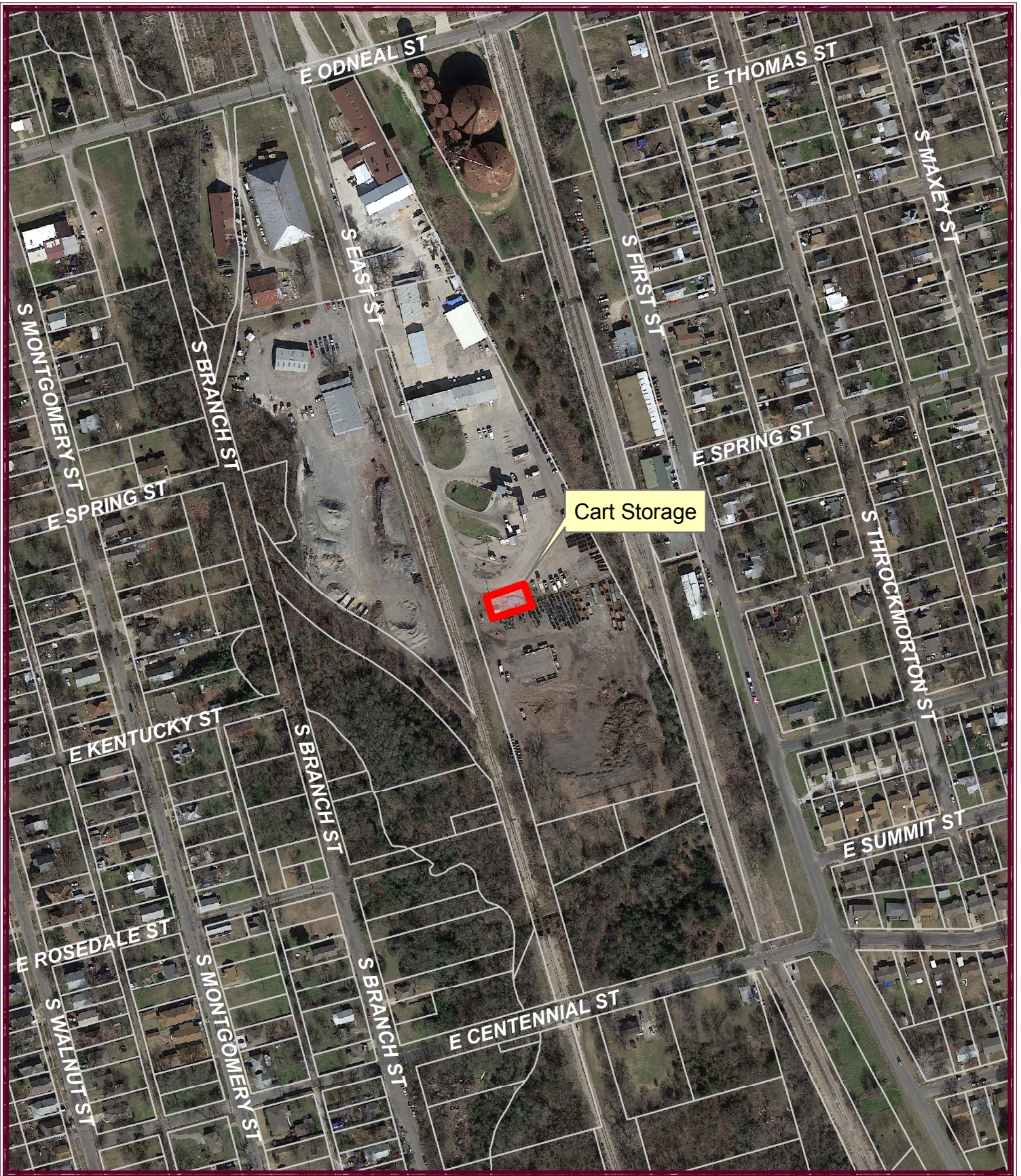
Total Contract - \$ 199,612.00

This proposal does not include sales tax.

Thank-you,

Don Charles Whitley

**Don Charles Whitley
DCW/cm**





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

G.1.

Meeting Date: 05/01/2017

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Presentation from Finance Director Mary Lawrence on the City of Sherman's Tax Increment Financing Policy

Issue:

Presentation on the City's Tax Increment Financing Policy

Background:

The City Council approved the Tax Increment Financing Policy at its February 6, 2017 meeting. This presentation will explain the requirements under state law and our policy, and how they relate to our current development.

Origination:

Finance Department

Financial Consideration:

There is no cost associated with this presentation.

Staff Recommendation:

This presentation is for informational purposes only; no City Council action is needed.

Attachments

Sherman's Tax Increment Financing Policy - Revised February 6, 2017



TAX INCREMENT FINANCING POLICY

Revised February 6, 2017

GENERAL PURPOSE AND OBJECTIVES

The City of Sherman is committed to attracting economic development projects, creating jobs, fostering infrastructure investment and redeveloping blighted areas. Tax Increment Financing (TIF) is a technique for funding qualifying capital projects and its related infrastructure or maintenance from a stream of revenue generated within the geographic area defined as the Tax Increment Reinvestment Zone (TIRZ).

Tax increment financing will be considered for projects in the industrial, commercial or retail sectors of the economy, but is limited to 30% by statute for residential development.

Nothing in this policy is to be construed to imply or suggest that the City of Sherman is under any obligation to provide tax increment financing. All projects will be considered on a case-by-case basis, based solely on the judgment of the City Council as to the best interest of the city at the time.

TIF CREATION CRITERIA

To be designated as a Tax Increment Reinvestment Zone, an area must meet the requirements of the Texas Tax Code and this policy.

1. The area must
 - a. Substantially arrest or impair the sound growth of the City because of the presence of a substantial number of substandard structures, predominance of defective or inadequate sidewalks or roads, faulty lot layout, unsafe conditions, deterioration of site improvements, tax delinquency exceeding fair value of the land, defective title or conditions that endanger life or property,
 - b. Be predominantly open or undeveloped and substantially impair the sound growth of the City
 - c. Be in an area described in a petition requesting that the area be designated as a reinvestment zone.
2. The City will use TIF only when a clearly defined objective is served and only to the degree necessary to accomplish that objective
3. TIF projects in distressed markets must demonstrate an ability to generate increment

4. TIF projects should strive to leverage additional increment from the other taxing entities in the zone and from private investment
5. But for the creation of a TIRZ, quality development is not likely to occur in the proposed area without financing assistance from a TIRZ
6. Use of TIF is the appropriate incentive tool to recruit a catalyst project worthy of public investment
7. The area proposed for designation as a TIRZ will have an increase in real property taxable value within the first two (2) years following designation

PROJECT DESCRIPTION

In order to receive consideration from the City Council the project proposal must include:

- Proposed development plan including construction schedule
- Information demonstrating the financial wherewithal to meet project costs and complete the project
- All projects costs, including acquisition, construction, and soft costs
- Projected TIF revenue
- Previous experience of the developer on projects of similar scale and type
- Project proforma detailing projected cash flows
- Cost benefit analysis

MINIMUM ELIGIBILITY REQUIREMENTS

Minimum Proforma Debt Service Coverage: The additional property tax created by the project or expansion must be equal to or greater than one hundred twenty-five percent (125%) of the projected debt service for each of the years that public debt is associated with the project.

Maximum Term of Financing: In order to receive consideration, the additional property tax created by a project or expansion must be sufficient to fully extinguish any public debt incurred for the project within twenty (20) years of the creation of the debt, unless the project is designated by the City Council as a "Major Infrastructure Project" and the longer term is necessary to finance the "Major Infrastructure Project."

Current on Taxes: The property owner, developer, or those benefitting from the TIRZ creation must not be in default or in arrears on any tax or on any other obligation to a public entity.

TIME FRAME

The developer must begin construction on the project within twelve (12) months of the formation of the TIRZ and must build the project to the agreed-upon phase, or completion within three (3) years of the formation of the TIRZ.

OTHER LOCAL TAXING ENTITIES

The City of Sherman will cooperate with, and seek participation from, Grayson County, Grayson County College, and the Sherman Independent School District in the development of any tax increment financing agreements within the city limits of the City of Sherman.

STATE LAW

All provisions of this policy and of any resulting agreement are subject to the requirements of the Tax Increment Financing Act, V. T. CA., *Tax Code, Chapter 311*.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

G.2.

Meeting Date: 05/01/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Presentation from Austin College Student Shawn Slowinski on Findings from a Retail Survey performed in conjunction with the Sherman Chamber of Commerce

Issue:

Findings from a Retail Survey performed by an Austin College student and the Sherman Chamber of Commerce

Background:

Mr. Shawn Slowinski, a student at Austin College, requested the opportunity to present his findings from a retail survey he performed along with the Sherman Chamber of Commerce to determine what types of businesses people are looking for in our community.

Origination:

Austin College Student Shawn Slowinski
Sherman Chamber of Commerce President/CEO Eddie Brown

Financial Consideration:

There is no financial impact to receiving this presentation.

Staff Recommendation:

The Council need take no action on this agenda item - for informational purposes only.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

G.3.

Meeting Date: 05/01/2017

Prepared By: Nate Strauch, Community & Support Services Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Consider Applications for the Sherman Downtown Occupancy Incentive Grant Program

Issue:

City staff has received five applications for the Sherman "Jumpstart the Heart" Occupancy Incentive Program. Those applications are from Uptown Pup Grooming, Bro's House of Fades, Board and Brush Sherman, laurel e., and The Lots on Travis Street. Because staff did not feel a barbershop qualified under the conditions of the program, Bro's application is not under consideration.

Background:

The Sherman City Council voted unanimously on October 12, 2016, to create a package of new incentive programs for Downtown Sherman. One of those incentives, the Downtown Occupancy Incentive, was created to spur restaurant and retail growth by rewarding business owners for locating their establishments in the Central Business District. The incentive pays up to \$6,250.00 in a lump sum one year after an application is approved to the small business owner, based on their rent or mortgage payments over the course of that year.

To date, six applications have been approved, leaving \$14,460.00 of the original budget available to grant.

Origination:

Sherman Community and Support Services Manager Nate Strauch

Financial Consideration:

Of the four applications being considered, laurel e. and Board and Brush qualify for a full grant in the amount of \$6,250.00. Uptown Pup Grooming qualifies for a grant of \$3,300.00. The Lots on Travis qualifies for \$6,000.00.

Staff Recommendation:

All applications are approved or denied at Council discretion.

Alternatives:

As directed by Council

Attachments

laurel e. Application

Board and Brush Application

Uptown Pup Grooming Application

The Lots on Travis Street Application

Downtown Occupancy Incentive Program Application

Applicant Information

Applicant Name: Emmi Wilson

Mailing Address: 1212 Dundale Circle Sherman, Tx 75092

Contact Number: 903-818-2282

Email Address: emmiwilson15@gmail.com

Business Information

Business Name: laurel e.

Business Address: 110 S. Crockett St. Sherman, Tx 75090

Business Type: Restaurant ☐ Retail ☒

Ownership Status: Rent ☒ Own ☐

Rent/Mortgage Monthly Payment Amount: \$ 1,500.00

On what date did your business open? June 1, 2017

Have you checked to confirm your business is located in the Central Business District? Yes ☒ No ☐

Please attach to this application the following:

- A detailed description of your business, as well as your motivation for starting it / moving it to downtown Sherman.
- A check for \$100 made payable to the City of Sherman. The check will be cancelled if your eligibility is confirmed.

Please return this application to Sherman Communications Manager Nate Strauch via email at nates@ci.sherman.tx.us.

laurel e.

My business will be a ready-to-wear women's fashion boutique specializing in fashion forward and moderately priced women's clothing and accessories. I will also have a small line of gift items.

My desire to open my own boutique is rooted in the love for small business. While in college, I had the privilege of working for a small business owner in a retail shop and absolutely loved the environment. I grew up in Sherman and have been completely amazed at the growth in the downtown area with regards to retail. I believe the downtown area will be an excellent place for my business to thrive. Being a millennial, I have many forward thinking ideas which would include coordinating with other downtown retailers in numerous events to bring shoppers to the area. I plan to be an active supporter of the downtown growth and expansion.

Downtown Occupancy Incentive Program Application

Applicant Information

Applicant Name: Amanda Robinson _____

Mailing Address: 1228 Judge Elliott Road, Sherman, TX 75092 _____

Contact Number: 903-821-7213 _____

Email Address: Amanda_1781@yahoo.com _____

Business Information

Business Name: Board and Brush Sherman (Rustic Charm by The Robinsons, LLC) _____

Business Address: 215 ½ North Travis, Sherman (Suite B) _____

Business Type: Restaurant **Retail**

Ownership Status: Rent **Own** business rent property

Rent/Mortgage Monthly Payment Amount: \$1300 _____

On what date did your business open? Will open around 6/1. Signed lease on 3/19/17 _____

Have you checked to confirm your business is located in the Central Business District? **Yes** No

Please attach to this application the following:

- A detailed description of your business, as well as your motivation for starting it / moving it to downtown Sherman.

Motivation to open in Sherman-With the initiative to better Downtown Sherman and make it more family friendly it seems like the perfect place. Sherman has a great square and downtown area and the focus changed for a lot of years. With the new businesses, and restaurants it

is more appealing. Sherman is growing all the time and the areas around Sherman are rapidly growing. Any businesses and industry is a plus to revitalizing an area. There is no business exactly of the same nature as Board & Brush. It is great for those who live in the area as well as those who visit.

Please return this application to Sherman Communications Manager Nate Strauch via email at nates@ci.sherman.tx.us.

Board & Brush is a creative arts studio from a single location that offers, among other things, instructional workshops making high quality hand-painted wood signs. Founded by Julie Selby, a stay-at-home mom and freelance financial and grant writer. She also founded The Candle Basket in 2005, a wholesale candle company in Ohio, which dissolved in 2010 after the company's manufacturer/supplier changed its distribution strategy.

Mrs. Selby started Board & Brush in the basement of her home as a 'Girl's Night Out' with wine and crafts. She quickly turned a business idea into a reality in March 2015.

As it stands with Pinterest, HGTV, etc. there is a need to Do-It-Yourself and Board & Brush provides just that. The opportunity to use woodworking techniques and skills combined with the latest trends and custom graphics. This is what created the DIY Board & Brush Creative Studio concept.

Board & Brush offers a wide variety of hands-on experiences from workshops, private parties, bridal showers, bachelorette gatherings, children's birthday bashes, corporate events and fundraisers.

In just two years Board & Brush has grown to 58 studios nationwide and continues to grow daily. In 21 months the company made \$5.5 million. Any custom products sold will benefit the City of Sherman through sales tax. The goal is to help bring more business and family life to Downtown Sherman.

The vision is to provide a unique opportunity to share your DIY passion while having the flexibility and freedom to grow your studio at the pace that works for your family.

The mission statement of Board & Brush:

Hone your own passion for décor & DIY projects; we hand you the tools & direction, you create the friendships and craft.

Downtown Occupancy Incentive Program Application

Applicant Information

Applicant Name: Mickey Mowers
Mailing Address: 565 County Rd 2515 Bonham TX 75418
Contact Number: 903-744-3390
Email Address: mick931@msn.com

Business Information

Business Name: Uptown Pup Grooming
Business Address: 315 N Travis Suite B
Business Type: Restaurant ☒ Retail Sherman TX 75090
Ownership Status: ☒ Rent ☐ Own
Rent/Mortgage Monthly Payment Amount: 550.00
On what date did your business open? 02-01-2017
Have you checked to confirm your business is located in the Central Business District? ☒ Yes ☐ No Yes, I checked twice

Please attach to this application the following:

- A detailed description of your business, as well as your motivation for starting it / moving it to downtown Sherman.
- A check for \$100 made payable to the City of Sherman. The check will be cancelled if your eligibility is confirmed.

Please return this application to Sherman Communications Manager Nate Strauch via email at nates@ci.sherman.tx.us.

UPTOWN PUP

315 N. Travis
Suite B
Sherman, TX 75090

Uptown Pup is a dog grooming salon. We bathe, brush, trim and provide other grooming services for domestic pets, usually dogs and cats. Our main duty is maintaining your pet's physical appearance. The dog grooming process involves brushing and cutting the fur, clipping nails, cleaning ears, bathing, drying and finally styling the fur.

I decided to go into dog grooming because of my love of animals. I have worked in several grooming salons in the Dallas area and decided I was ready to take on the challenge of opening my own salon. I believe I have great customer skills and it is my goal to make sure the customer is satisfied.

I decided to open my shop in the downtown Sherman area because the downtown area is growing with new businesses and because of the convenience for customers to park and come into my store. Sherman is a great area to do business because of its size while maintaining a small town feel.

Joshua Manners, owner

Mickey Manners, owner

Downtown Occupancy Incentive Program Application

Applicant Information

Applicant Name: Sean Vanderveer

Mailing Address: 113 North Travis Street Suite 300, Sherman, TX 75090

Contact Number: 903-815-5143

Email Address: rsvanderveer@yahoo.com

Business Information

Business Name: The Lots on Travis Street

Business Address: 117 North Travis Street, Sherman, TX 75090

Business Type: Restaurant Retail

Ownership Status: Rent Own

Rent/Mortgage Monthly Payment Amount: \$1,000/month

On what date did your business open? March 1, 2017

Have you checked to confirm your business is located in the Central

Business District? Yes No

Please attach to this application the following:

- A detailed description of your business, as well as your motivation for starting it / moving it to downtown Sherman.
- A check for \$100 made payable to the City of Sherman. The check will be cancelled if your eligibility is confirmed.

Please return this application to Sherman Communications Manager Nate Strauch via email at nates@ci.sherman.tx.us.

The Lots on Travis Street (LoTS) was started in response to increased inquiries by food truck / trailer owners seeking a location to setup in Downtown Sherman. Upon researching and talking to food truck park owners, our group decided to open a food truck park located in close proximity to the square and other great establishments in Downtown Sherman. The right environment, coupled with great food offerings and music in Downtown Sherman, will help the continued growth that has been seen over the last three years. Furthermore, reviving the empty lots in the 100 block of North Travis will remove the empty feeling of that block, thus furthering the “main street” development. Travis Street has tremendous potential and this business model will assist in continuing to bring people to Downtown Sherman.

The LoTS will hold space for up to 6 trucks / trailers at one time and plans to have a Tuesday-Thursday-Saturday and Wednesday-Friday-Sunday rotation to add variety of food offerings. The front of the property will be defined by a short fence with gates and minimal landscaping. The interior will consist of concrete for the trucks / trailers, a crushed granite and paver area for patrons along with tables and chairs for dining. A restroom will be located in the small building located on the property, where a restaurant or bar will be located for the venture. This will compliment the other local food establishments and will help bring a great atmosphere and more customers into the Central Business District.



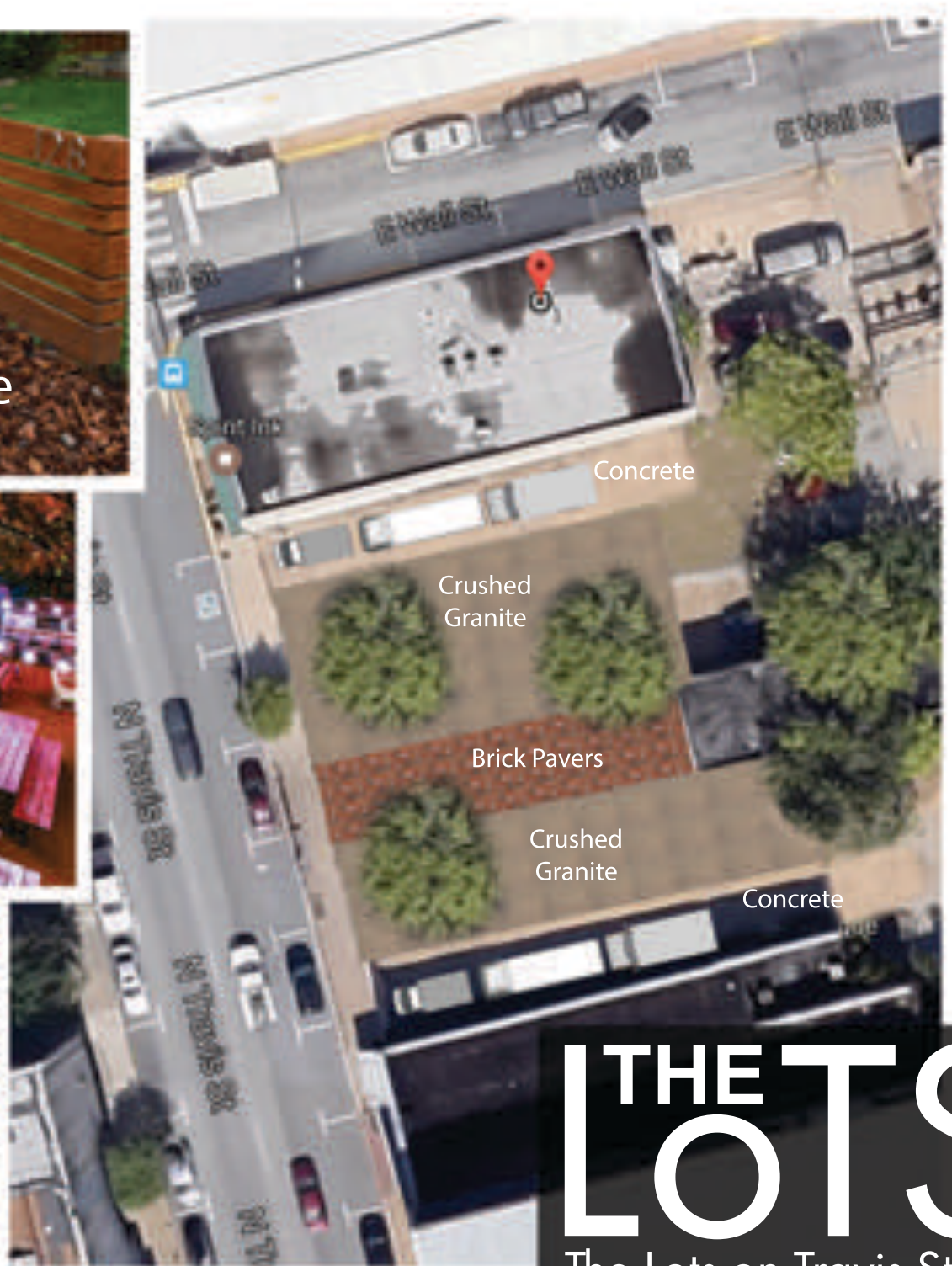
Street Side



Tables
& Lighting



Atmosphere



Concrete

Crushed
Granite

Brick Pavers

Crushed
Granite

Concrete

THE
LOTS
The Lots on Travis Street



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

G.4.

Meeting Date: 05/01/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Discussion and Recap of Recent Texoma Council of Governments Meeting

Issue:

The Texoma Council of Governments

Origination:

Mayor David Plyler and Council Member Kevin Couch
City Manager Robby Hefton



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

J.1.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Tax Increment Reinvestment Zone #5 Board (3)

Issue:

This is a new Board created to enhance development in the Sherman Crossroads District. The membership will consist of three City Council Members, the City Manager, and one Grayson County Representative. Their terms are for two years, however they are reviewed annually to assure their service as a City Council Member.

Background:

The Board approves the Project Plan and Financing Plan for the Sherman Tax Increment Reinvestment Zone #5. TIRZ #5 covers the area northwest of the intersection of U.S. Highway 75 and F.M. 1417 (Heritage Parkway), referred to as the Sherman Crossroads.

Origination:

The appointments originated with the Director of Finance.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is recommended that the City Council consider appointments to the Tax Increment Reinvestment Zone #5 Board.

Alternatives:

The alternative is to delay the appointment of members to this Board.

Attachments

Fact Sheet

Ordinance No. 6010

FACT SHEET

TAX INCREMENT REINVESTMENT ZONE BOARD #5

Established by ORDINANCE 6010 – FEBRUARY 20, 2017

1. Number of Members: FIVE
2. Term of Appointment: REVIEW ANNUALLY
3. Consecutive Term Rule: N/A
4. Qualifications for Membership: THREE CITY COUNCIL POSITIONS, CITY MANAGER
5. Appointed by: MAYOR AND CITY COUNCIL
6. Board Organization TO APPROVE THE PROJECT PLAN AND FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE
7. Departmental Responsibility: CITY MANAGER
8. Meeting Date: CALLED AS NECESSARY
9. Attendance Requirements: N/A

=====

PURPOSE:

The Board shall approve the Project Plan and Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Five.

ORDINANCE NO. 6010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ESTABLISHING A TAX INCREMENT REINVESTMENT ZONE #5 (SHERMAN CROSSROADS); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR A BOARD OF DIRECTORS; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That there is hereby created a reinvestment zone to be named the Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5") to take effect immediately from and after the final passage of this ordinance, the boundaries of which are fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

SECTION 2. That the City Council hereby makes the following findings and determinations which are true and correct:

- (a) That the development of the area within the TIRZ-5 Zone would not occur in the foreseeable future solely through private investment.
- (b) That the area's present condition substantially impairs the city's growth, retards the provision of housing, or constitutes an economic or social liability to the public health, safety, morals, or welfare. Further, this condition exists because of the presence of one or more of the following conditions: a substantial number of substandard or deteriorating structures, inadequate sidewalks or street layout, faulty lot layouts, unsanitary or unsafe conditions, a tax or special assessment delinquency that exceeds the fair market value of the land, defective or unusual conditions of title, or that endanger life or property by fire or other cause; or be predominantly open or undeveloped and, because of obsolete platting, deterioration of the structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality.
- (c) That the City of Sherman has fully complied with all of the applicable sections of Chapter 311 of the Texas Tax Code and specifically Section 311.003.
- (d) That the Sherman Tax Increment Reinvestment Zone #5 is in full compliance and meets all of the requirements of Section 311.005 of the Texas Tax Code.
- (e) That the improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the municipality and its citizens.

SECTION 3. That there is hereby established a tax increment fund for the Zone to be styled Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5").

SECTION 4. That there is hereby established a five (5) member Board of Directors for the TIRZ-5 Zone to be composed of three (3) members of the City Council, one (1) member of the City staff and one (1) representative from Grayson County, all to be chosen by the City Council for terms of two (2) years, with no term limitations, in accordance with Section 311.009 of the Texas Tax Code. The City Council does not delegate or grant any of its powers or authority to the Board of Directors. The City Council hereby restricts the authority of the Board of Directors under Chapter 311 of the Texas Tax Code to an advisory board to the City Council.

SECTION 5. The Zone shall terminate upon all City bonded indebtedness, interest on those bonds and project costs pertaining to the Zone being paid in full.

SECTION 6. That the provisions of this ordinance are severable and the invalidity of any word, phrase, sentence or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 7. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the 20th day of February, 2017.

ADOPTED on this the 20th day of February, 2017.

EFFECTIVE DATE on this the 20th day of February, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

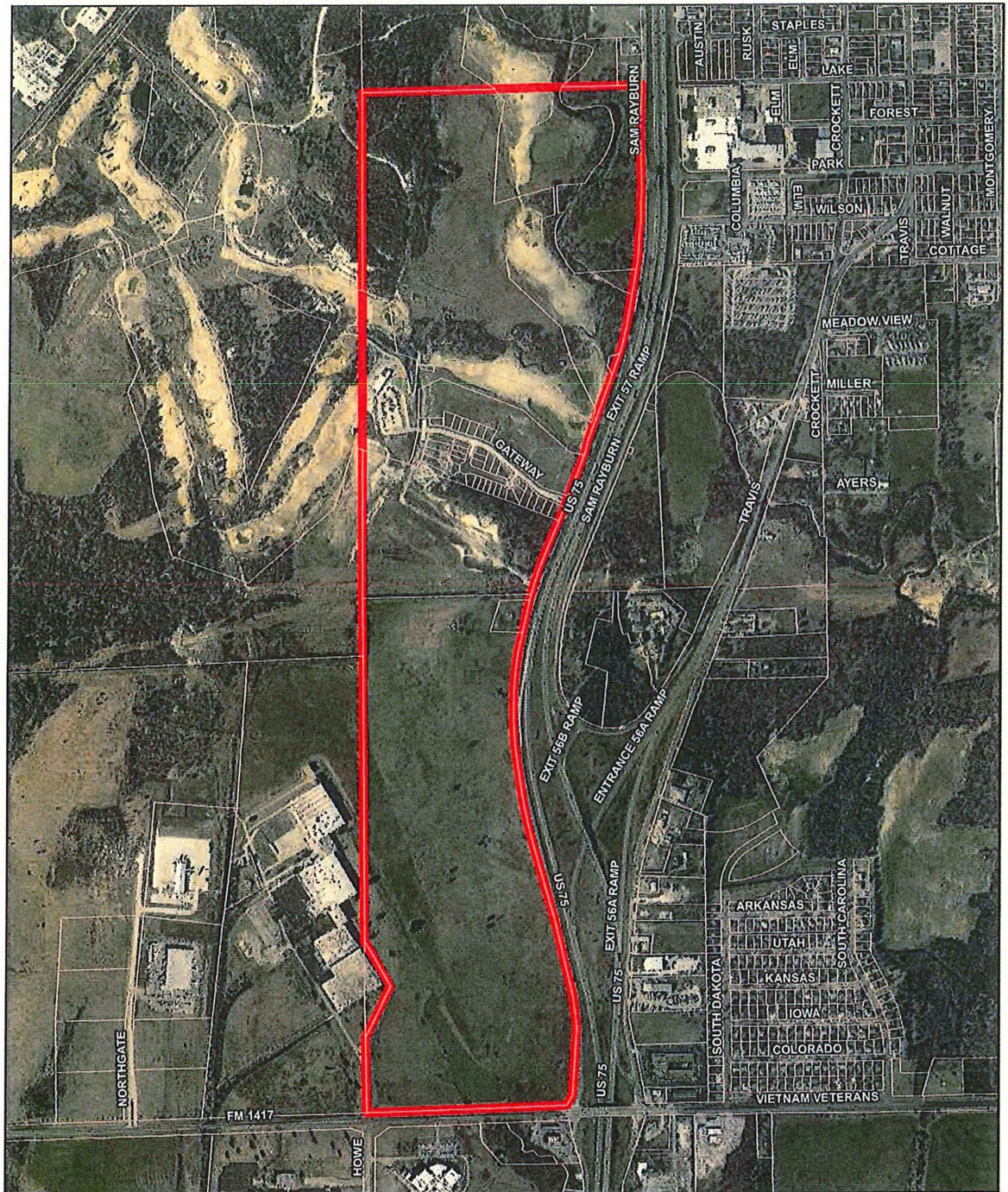
BY: David Plyler
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: Brandon S. Shelby
**BRANDON S. SHELBY,
CITY ATTORNEY**

Field Notes
Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5")
for the Sherman Crossroads District

Location Map
Sherman Tax Increment Reinvestment Zone #5 ("TIRZ-5")
for the Sherman Crossroads District



Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090

1 inch = 1,000 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

J.2.

Meeting Date: 05/01/2017

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Tax Increment Reinvestment Zone #6 Board (3)

Issue:

This is a new Board created to enhance development in the area south of the intersection of U.S. Highway 75 and F.M. 691. The membership will consist of three City Council Members, the City Manager, and one Grayson County Representative. Their terms are for two years, however they are reviewed annually to assure their service as a City Council Member.

Background:

The Board approves the Project Plan and Financing Plan for the Sherman Tax Increment Reinvestment Zone #6. TIRZ #6 covers the area south of the intersection of U.S. Highway 75 and F.M. 691.

Origination:

The appointments originated with the Director of Finance.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is recommended that the City Council consider appointments to the Tax Increment Reinvestment Zone #6.

Alternatives:

The alternative is to delay the appointment of members to this Board.

Attachments

Fact Sheet

Ordinance No. 6011

FACT SHEET

TAX INCREMENT REINVESTMENT ZONE BOARD #6

Established by ORDINANCE 6011 – FEBRUARY 20, 2017

1. Number of Members: FIVE
2. Term of Appointment: REVIEW ANNUALLY
3. Consecutive Term Rule: N/A
4. Qualifications for Membership: THREE CITY COUNCIL POSITIONS, CITY MANAGER
5. Appointed by: MAYOR AND CITY COUNCIL
6. Board Organization TO APPROVE THE PROJECT PLAN AND FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE NUMBER SIX
7. Departmental Responsibility: CITY MANAGER
8. Meeting Date: CALLED AS NECESSARY
9. Attendance Requirements: N/A

=====

PURPOSE:

The Board shall approve the Project Plan and Financing Plan for the Sherman Tax Increment Reinvestment Zone Number Six.

ORDINANCE NO. 6011

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ESTABLISHING A TAX INCREMENT REINVESTMENT ZONE #6 (SOUTH OF INTERSECTION OF U.S. HIGHWAY 75 AND F.M. 691); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR A BOARD OF DIRECTORS; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That there is hereby created a reinvestment zone to be named the Sherman Tax Increment Reinvestment Zone #6 ("TIRZ-6") to take effect immediately from and after the final passage of this ordinance, the boundaries of which are fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

SECTION 2. That the City Council hereby makes the following findings and determinations which are true and correct:

- (a) That the development of the area within the TIRZ-6 Zone would not occur in the foreseeable future solely through private investment.
- (b) That the area's present condition substantially impairs the city's growth, retards the provision of housing, or constitutes an economic or social liability to the public health, safety, morals, or welfare. Further, this condition exists because of the presence of one or more of the following conditions: a substantial number of substandard or deteriorating structures, inadequate sidewalks or street layout, faulty lot layouts, unsanitary or unsafe conditions, a tax or special assessment delinquency that exceeds the fair market value of the land, defective or unusual conditions of title, or that endanger life or property by fire or other cause; or be predominantly open or undeveloped and, because of obsolete platting, deterioration of the structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality.
- (c) That the City of Sherman has fully complied with all of the applicable sections of Chapter 311 of the Texas Tax Code and specifically Section 311.003.
- (d) That the Sherman Tax Increment Reinvestment Zone #6 is in full compliance and meets all of the requirements of Section 311.005 of the Texas Tax Code.
- (e) That the improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the municipality and its citizens.

SECTION 3. That there is hereby established a tax increment fund for the Zone to be styled Sherman Tax Increment Reinvestment Zone #6 ("TIRZ-6").

SECTION 4. That there is hereby established a five (5) member Board of Directors for the TIRZ-6 Zone to be composed of three (3) members of the City Council, one (1) member of the City staff and one (1) representative from Grayson County, all to be chosen by the City Council for terms of two (2) years, with no term limitations, in accordance with Section 311.009 of the Texas Tax Code. The City Council does not delegate or grant any of its powers or authority to the Board of Directors. The City Council hereby restricts the authority of the Board of Directors under Chapter 311 of the Texas Tax Code to an advisory board to the City Council.

SECTION 5. The Zone shall terminate upon all City bonded indebtedness, interest on those bonds and project costs pertaining to the Zone being paid in full.

SECTION 6. That the provisions of this ordinance are severable and the invalidity of any word, phrase, sentence or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 7. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the 20th day of February, 2017.

ADOPTED on this the 20th day of February, 2017.

EFFECTIVE DATE on this the 20th day of February, 2017.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

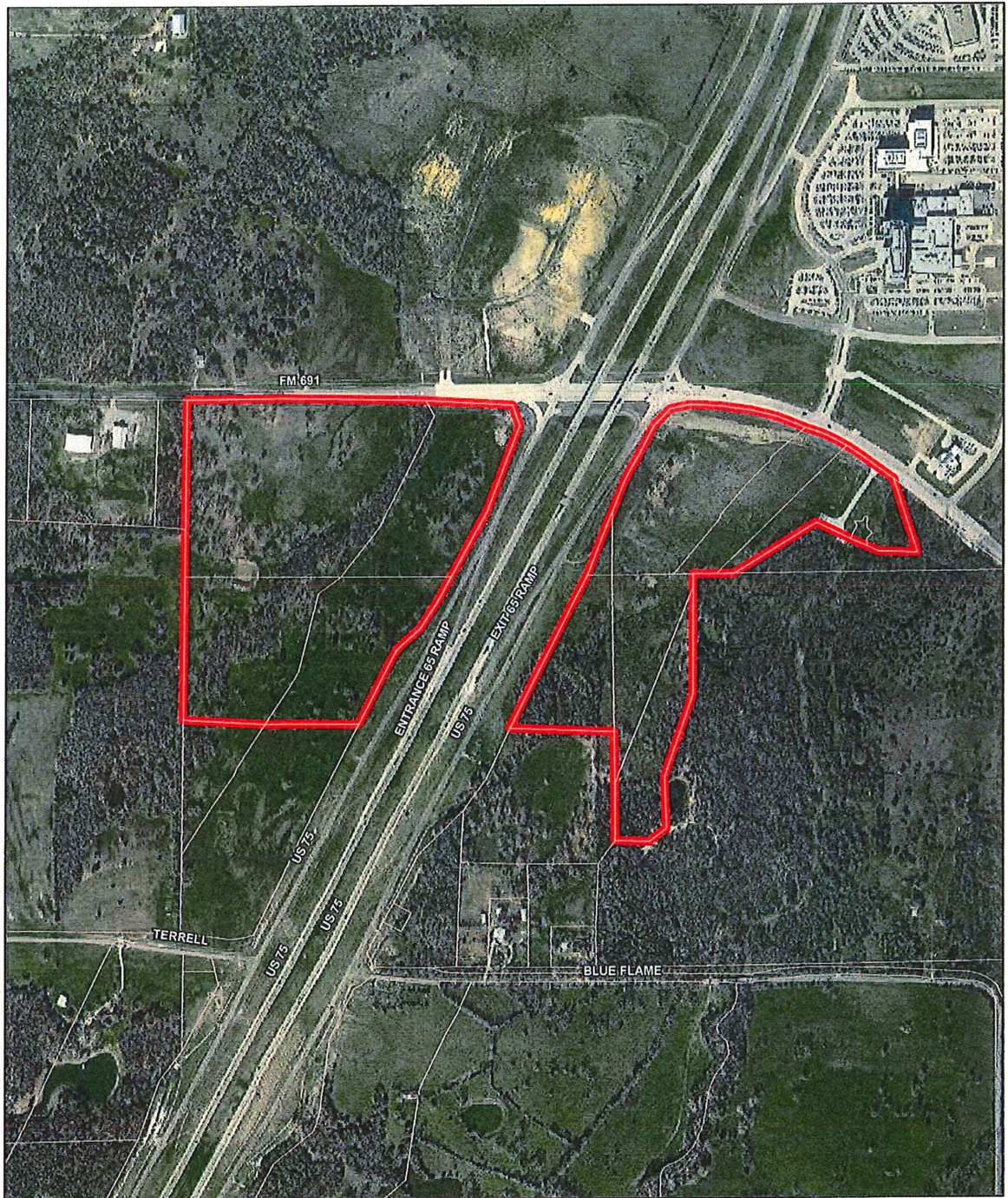
BY: David Plyler
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: Brandon S. Shelby
**BRANDON S. SHELBY,
CITY ATTORNEY**

Field Notes
Sherman Tax Increment Reinvestment Zone #6 ("TIRZ-6")
for the District South the U.S. Highway 75 and F.M. 691 Intersection

Location Map
Sherman Tax Increment Reinvestment Zone #6 ("TIRZ-6")
for the District South of the U.S. Highway 75 and F.M. 691 Intersection



Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090

1 inch = 600 feet





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Meeting Date: 05/01/2017

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2017 Council Calendar

2017

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
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29	30	31				

FEBRUARY						
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APRIL						
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JUNE						
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JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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31						

1/2/2017	New Years Day/Called Council Meeting on 1/3/2017 - Cancelled
3/21/2017	Called Joint Meeting with SISD Board of Trustees
4/21/2017	Called Budget Planning Mtg in Council Chambers
5/22/2017	Called Council Meeting for Introduction, PH and Adoption of Annexation Ordinance (459.6 acre tract on Preston Club Drive in ETJ)
6/15-16/2017	Called Budget Workshop in Council Chambers
9/4/2017	Labor Day/Called Council Meeting on 9/5/2017

[illegible]