

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, APRIL 15, 2013
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY MAYOR CAROLYN S. WACKER**
- A. 3. INVOCATION BY MAYOR CAROLYN S. WACKER**
- A. 4. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF APRIL 1, 2013**

Proclamations

- B. 1. PROCLAMATION**
“National Library Week” – April 14-20, 2013
- B. 2. PROCLAMATION**
“Texoma Earth Day Festival Day” – April 20, 2013

Public Hearing

- C. 1. PUBLIC HEARING**
Proposed Agreement with Texas Instruments Incorporated for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas
- C. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5771**
Providing for Permanent “Stop” Signs at the Intersections of Sherbrooke Place and Peggy's Cove, Sherbrooke Place and Southridge Lane, Southridge Lane and Portsmouth Place, and Portsmouth Place and Peggy's Cove within the City Limits of the City of Sherman; Providing for a Penalty Provision

- C. 3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5772**
Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow Tire Sales and Service in a C-1 (Retail Business) District at 804 E. Lamar Street, being Lots 1, 2, 3, and the West 22 feet of Lot 4, Block A, H.M. Sumner's First Addition (Isidoro Lopez, Owner; and Frank Leal, Representative); Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed \$2,000.00

Close Public Hearing and Consider Adoption of Ordinances

- C. 4. ADOPTION OF ORDINANCES**
Consider Adoption of Ordinance Numbers: 5771 and 5772
- C. 5. 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

- D. 1. RESOLUTION NO. 5760**
Authorizing Execution of an Agreement with Texas Instruments Incorporated for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas
- D. 2. RESOLUTION NO. 5761**
Authorizing Execution of an Advance Funding Agreement between the City of Sherman and the State of Texas, Acting By and Through the Texas Department of Transportation, for Voluntary Local Government Contributions to Transportation Improvement Projects with No Required Match (Reconstruction of the Northbound Frontage Road of US 75 at Loy Lake)
- D. 3. * RESOLUTION NO. 5762**
Authorizing Execution of an Encroachment Easement to Saxton Sherman, LLC for the Placement of Four Light Poles over a Sanitary Sewer Easement and Two Utility Easements on Lot 1-R, Block "C" of the Sherman Commons Addition within the City of Sherman
- D. 4. * RESOLUTION NO. 5763**
Awarding a Bid to and Authorizing Execution of an Agreement with Josh Willeford for an Agricultural Lease at the Sherman Wastewater Treatment Plant
- D. 5. RESOLUTION NO. 5764**
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

Other Business

E. 1. **OTHER BUSINESS**

Receive Quarterly Progress Report from Sherman Economic Development Corporation Board Chairman Dean Gilbert, Jr. and SEDCO President Scott Connell

E. 2. * OTHER BUSINESS****

Replat Approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2, containing 0.59 acres; DGR Development Group Ltd and Dean Gilbert, Inc., Owners; Sartin & Associates, Inc., Surveyors (2908 and 2912 Sedalia Trail)

F. **CITIZEN REQUESTS**

G. **MEDIA QUESTIONS**

H. **COUNCIL COMMENTS**

I. **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 12, 2013 at 10:00 a.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 12th day of April, 2013
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

Carolyn S. Wacker

Deputy Mayor

Pamela L. Howeth

Council Members

Ryan Johnson, Council-At-Large, PL #1

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

Joe N. Smith, Council – District #1

Robert G. Softly, Council – District #2

Pamela L. Howeth, Council – District #3

David Plyler, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **A. 4.**

Meeting Date: 04/15/2013

Prepared By: Linda Ashby, City Clerk

Approved By: George Olson, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF APRIL 1, 2013

Attachments

April 1, 2013 Minutes

STATE OF TEXAS

§

April 1, 2013

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 1, 2013.

MEMBERS PRESENT: MAYOR CARY WACKER; DEPUTY MAYOR PAM HOWETH. COUNCIL MEMBERS JOHNSON, PLYLER, SMITH, SOFEY, SOFTLY.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Wacker called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Deputy Mayor Pam Howeth.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called City Council Meeting of March 13, 2013 and the Regular City Council Meeting of March 18, 2013. Council Member Softly moved to approve the Minutes as presented; Second by Council Member Sofey. All present voted AYE. MOTION CARRIED.

APPROVE MINUTES

PUBLIC HEARING OF ORDINANCES

Mayor Wacker called for the Public Hearing of Ordinance 5770:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

ORD 5770
INDUSTRIAL
REINVESTMENT
ZONE
(TEXAS
INSTRUMENTS)

No citizens appeared before the City Council to discuss Ordinance 5770.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5770

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE;

ORD 5770
INDUSTRIAL
REINVESTMENT
ZONE
(TEXAS
INSTRUMENTS)

PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

Mayor Wacker said Texas Instruments is making an investment in the community by warehousing some equipment at their plant. The agreement will be for five years.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve Ordinance No. 5770, as presented. Second by Council Member Softly.

VOTING AYE: Howeth, Johnson, Plyler, Smith, Sofey, Softly.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 5754 – AUTHORIZING EXECUTION OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) SELF CERTIFICATION FORM FOR LEVEL IB UNDER TEXAS POLLUTANT DISCHARGE ELIMINATION SYSTEM (TPDES) GENERAL PERMIT TXG870000

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF THE TEXAS COMMISSION OF ENVIRONMENTAL QUALITY (TCEQ) SELF CERTIFICATION FORM FOR LEVEL IB UNDER TEXAS POLLUTANT DISCHARGE ELIMINATION SYSTEM (TPDES) GENERAL PERMIT TXG870000.

CONSENT AGENDA.

RES 5754
TCEQ SELF
CERTIFICATION FORM

RESOLUTION NO. 5755 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH DERYL L. McMAHAN FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1917 EAST ALMA AVENUE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH DERYL L. McMAHAN FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1917 EAST ALMA AVENUE.

CONSENT AGENDA.

RES 5755
RESIDENTIAL TAX
ABATEMENT
(1917 E. ALMA)

RESOLUTION NO. 5756 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH MARIO TOBAR FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1912 EAST ALMA AVENUE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

RES 5756
RESIDENTIAL TAX
ABATEMENT
(1912 E. ALMA)

SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH MARIO TOBAR FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1912 E. ALMA AVENUE.
CONSENT AGENDA.

RESOLUTION NO. 5757 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH HD SUPPLY FOR THE PURCHASE OF WATER METERS FOR THE UTILITY BILLING DEPARTMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH HD SUPPLY FOR THE PURCHASE OF WATER METERS FOR THE UTILITY BILLING DEPARTMENT.
CONSENT AGENDA.

RES 5757
PURCHASE OF
WATER METERS

RESOLUTION NO. 5758 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ASHTON GARDEN LANDSCAPE DESIGN FOR THE 2013 PUBLIC WORKS MOWING PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ASHTON GARDEN LANDSCAPE DESIGN FOR THE 2013 PUBLIC WORKS MOWING PROGRAM.
CONSENT AGENDA.

RES 5758
PUBLIC WORKS
MOWING PROGRAM

RESOLUTION NO. 5759 – PROVIDING FOR THE EXEMPTION OF CERTAIN VEHICLES USED BY THE SHERMAN POLICE DEPARTMENT FROM THE INSCRIPTION REQUIREMENTS AS AUTHORIZED BY V.T.C.A. TRANSPORTATION CODE §721.005; AUTHORIZING INDIVIDUALS TO APPLY FOR SPECIAL LICENSE PLATES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE EXEMPTION OF CERTAIN VEHICLES USED BY THE SHERMAN POLICE DEPARTMENT FROM THE INSCRIPTION REQUIREMENTS AS AUTHORIZED BY V.T.C.A. TRANSPORTATION CODE §721.005; AUTHORIZING INDIVIDUALS TO APPLY FOR SPECIAL LICENSE PLATES.
CONSENT AGENDA.

RES 5759
SIGNATURES
REQUIRED FOR
SPECIAL LICENSE
PLATES

REQUEST TO ADVERTISE
REPAIRS TO OLD SETTLERS TRINITY #1 WATER WELL,
STEPHENS TRINITY #1 WATER WELL, AND STEPHENS
WOODBINE #2 WATER WELL

The City Council approved the request to advertise for bids for repairs to three water wells, Old Settlers Trinity #1, Stephens Trinity #1, and Stephens Woodbine #2.

REQUEST TO ADV
WATER WELL
REPAIRS

The pumps on the water wells are failing and need to be pulled and inspected. They will be repaired or replaced as

required. Repairs to piping will also be included in the project.

CONSENT AGENDA.

OTHER BUSINESS

SETTING THE PUBLIC HEARING ON THE PROPOSED AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS

TEXAS INSTRUMENTS
PROPERTY TAX
ABATEMENT

George Olson, City Manager, confirmed that the agenda item sets a public hearing on a proposed agreement with Texas Instruments for the next City Council Meeting.

ACTION TAKEN.

Motion by Council Member Sofey to set a Public Hearing at the City Council Meeting of April 15, 2013, for the Proposed Agreement with Texas Instruments Incorporated for the Abatement of Ad Valorem Property Taxes for improvements within Industrial Reinvestment Zone, Number 042013-1 in the City of Sherman. Second by Council Member Smith.

VOTING AYE: Howeth, Johnson, Plyler, Smith, Sofey, Softly.

VOTING NAY: None.

MOTION CARRIED.

CITIZENS REQUESTS

There were no citizen's requests.

CITIZEN'S REQUESTS

MEDIA QUESTIONS

There were no media questions.

MEDIA QUESTIONS

COUNCIL COMMENTS

EASTER WEEKEND

Council Member Softly said he hoped everyone had a nice holiday weekend and enjoyed the resurrection of our Lord.

EASTER WEEKEND

ANNOUNCEMENTS

Mayor Wacker announced the following:

- She thanked Sory Elementary School, Washington Elementary School, and Jefferson Elementary School. She spoke to third and fourth graders at each school about City government. They had great questions and she urged all Council Members to visit the schools.
- The Sherman Fire Department will hold a ceremonial push out/push in for their new Engine 83 at 10:00 a.m. on Saturday, April 13 at Fire Station No. 3 at Pecan Grove Park.

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

EXECUTIVE SESSION

COUNCIL MINUTES – APRIL 1, 2013

MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.072 DELIBERATION REGARDING
REAL PROPERTY:
DELIBERATE REGARDING THE
PURCHASE, EXCHANGE, LEASE,
OR VALUE OF REAL PROPERTY

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:07 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:38 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

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:39 p.m.

ADJOURNMENT

MAYOR

CITY CLERK



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **B. 1.**

Meeting Date: 04/15/2013

Prepared By: Linda Ashby, City Clerk

Approved By: George Olson, City Manager

Caption:

PROCLAMATION

"National Library Week" – April 14-20, 2013

Issue:

To present a proclamation designating April 14 through 20, 2013, as "National Library Week"

Background:

Each year, "National Library Week" is celebrated to offer recognition to the important role that libraries play in our lives.

Origination:

The request for this proclamation originated with the Sherman Public Library.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

It is the recommendation of the staff to present a proclamation designating "National Library Week" during April 14 through 20, 2013.

Alternatives:

The Council could choose not to present the proclamation.

Attachments

National Library Week Proclamation

Proclamation

- WHEREAS, libraries have historically served as our nation's great equalizers of knowledge by providing free access to all, and
- WHEREAS, libraries work to meet the changing needs of their users, including building downloadable collections, involving teens in collection development and programming, and giving young people a chance to improve reading skills, and
- WHEREAS, our nation's libraries provide a forum for diverse ideas and points of view that help us better understand each other and ourselves, and
- WHEREAS, librarians help people of all ages and backgrounds find and interpret the information they need to live, learn, and work in a challenging economy, and
- WHEREAS, during April, Sherman's youngsters will enjoy Story Time programs, our seniors will gather to view travel videos, attend and participate in book reviews, and receive assistance from AARP tax volunteers, and the Friends of the Sherman Public Library will hold its Spring Book Sale on April 20, 2013, and
- WHEREAS, libraries are part of the American dream, places for education, opportunity, and lifelong learning, and
- WHEREAS, libraries, librarians, library workers, and supporters across America are celebrating National Library Week.

NOW THEREFORE, I, Cary Wacker, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim April 14 through 20, 2013

NATIONAL LIBRARY WEEK

in the City of Sherman and urge all residents to visit the Sherman Public Library to take advantage of all the wonderful library resources available. I also encourage residents to thank their librarians and library workers for making information accessible to all who walk through the library's doors.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed, this the 15th day of April, 2013.

Mayor

ATTEST:

Sinda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **B. 2.**

Meeting Date: 04/15/2013

Prepared By: Linda Ashby, City Clerk

Approved By: George Olson, City Manager

Caption:

PROCLAMATION

“Texoma Earth Day Festival Day” – April 20, 2013

Issue:

The 5th Annual Earth Day Festival will be held on Saturday, April 20, 2013 from 8:30 a.m. until 5:00 p.m. on the Sherman Municipal Grounds. The Texoma Earth Day Festival Planning Committee has requested a proclamation to publicize the event.

Background:

Earth Day was originally founded in 1970 and is intended to inspire awareness and appreciation for the Earth’s natural environment. It is celebrated annually in April and corresponds to the beginning of Spring.

Origination:

The request for the proclamation originated with the Texoma Earth Day Festival Planning Committee.

Financial Consideration:

There is no financial consideration to the request.

Staff Recommendation:

It is the staff recommendation that a proclamation be presented designating “Texoma Earth Day Festival Day” in Sherman.

Alternatives:

The Council could choose not to present the proclamation.

Attachments

Texoma Earth Day Proclamation

Proclamation

WHEREAS, all people in the global community have a moral right to a healthy, sustainable environment with economic growth, and

WHEREAS, human activities around the world are causing severe environmental damage that threatens human health and our planet's ability to sustain a diverse community of life, and

WHEREAS, the citizens of the global community must step forward and take action to create a green economy that lives in harmony with the environment, and

WHEREAS, local communities can do much to reverse environmental degradation and contribute to building a healthy society by addressing issues such as energy use, transportation, waste prevention, and litter control; and

WHEREAS, there are sound economic, environmental, and social reasons for local governments to initiate energy efficiency and renewable energy practices, and

WHEREAS, the Texoma Earth Day Festival will be held on April 20, 2013 on the Municipal Building Grounds and will feature programs and activities where ordinary people will learn practical things to improve the health of the planet and to enhance the community's natural environment.

NOW THEREFORE, I, Cary Wacker, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim April 20, 2013

TEXOMA EARTH DAY FESTIVAL DAY

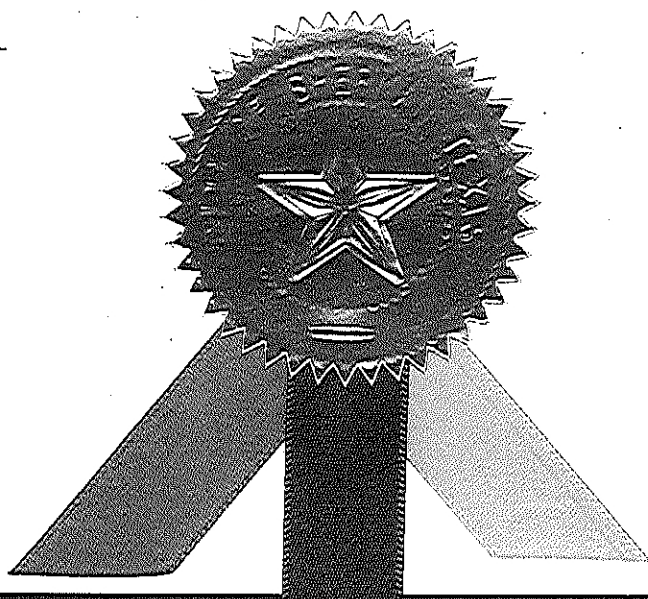
in the City of Sherman and encourage all citizens, businesses, and institutions to use this day to celebrate the Earth and commit to building a sustainable society.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 15th day of April, 2013.

Mayor

ATTEST:

Linda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **C. 1.**

Meeting Date: 04/15/2013

Prepared By: Robby Hefton, Assistant City Manager/CFO

Approved By: George Olson, City Manager

Caption:

PUBLIC HEARING

Proposed Agreement with Texas Instruments Incorporated for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas

Issue:

Holding a public hearing for a proposed property tax abatement agreement between the City of Sherman and Texas Instruments Incorporated (TI)

Background:

The Tax Reinvestment Committees of the City of Sherman, the Sherman Independent School District, Grayson County, and Grayson College met on March 5, 2013 to discuss TI's request for tax abatement for warehousing equipment to be relocated to its Sherman plant from other locations within the company, said equipment to be stored locally until it could be relocated to other facilities, repositioned within the Sherman plant, or otherwise liquidated. TI expects the value of the equipment to be between \$10 and \$300 million and expects the equipment to be on site for up to five (5) years.

The proposed agreement calls for a five (5) year abatement with a consistent abatement percentage of 55%. The agreement also provides for a minimum taxable value during the term of the agreement of at least \$10 million. No additional employment levels will be established through this agreement. As is the case with all tax abatements, none of the proposed property considered under this abatement agreement is currently on the tax rolls, so the benefit from this abatement is that the City will see a net increase in property tax revenues.

Origination:

Texas Instruments Incorporated
Tax Reinvestment Committee

Financial Consideration:

At a minimum taxable value of \$10 million each year, this project would generate \$72,000 in property tax revenues for the City over the first five (5) years at the current tax rate; and the abatement will provide an estimated benefit to the taxpayer of \$88,000 over the same time frame.

Staff Recommendation:

It is recommended that the City Council hold a public hearing for the proposed tax abatement agreement.

Alternatives:

The City Council could deny the tax abatement agreement.

Attachments

Resolution No. 5760

Tax Abatement Agreement

Application

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES WITHIN INDUSTRIAL REINVESTMENT ZONE NO. 042013-1; 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 Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Texas Instruments Incorporated and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Texas Instruments Incorporated for the abatement of ad valorem property taxes for a period of five (5) years, for improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas, including the warehousing of equipment relocated to its Sherman plant from other locations within the company, said equipment to be stored locally until its relocation to other facilities, repositioning within the Sherman plant, or otherwise liquidated, in the same or substantially same form as the contract documents attached hereto and made a part hereof 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 _____, 2013.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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

TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

THIS TAX ABATEMENT AGREEMENT (“Agreement”) is made and entered into as of the ____ day of _____, 2013 (the “Effective Date”), by and among the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas, duly acting herein by and through its Mayor (“City”); and Texas Instruments Incorporated, a Delaware Corporation, acting by and through its authorized officers (“TI”), for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 1st day of April, 2013, the City Council of the City (“City Council”) passed Ordinance No. 5770 (“Ordinance”) establishing Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas (“Zone”), for commercial-industrial tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended (“Code”); and

WHEREAS, the City has adopted Guidelines and Criteria for the Industrial Tax Abatement Program (“Guidelines”), by the passage of Resolution No. 5676, on the 4th day of June, 2012; and

WHEREAS, the City’s current Guidelines are attached as Exhibit A hereto; and

WHEREAS, the Guidelines constitute appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Code; and

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, TI currently owns the Premises, as hereinafter defined, and TI expects to store manufacturing machinery and equipment (the “Improvements”) on the Premises. The Improvements and use of the Premises is expected to significantly enhance the economic base of the City; and

WHEREAS, the City Council also finds that the improvements sought are feasible and practical and would be of benefit to the land to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, the City Council finds that the terms of this Agreement and the Premises and proposed Qualified Facilities, as hereinafter defined, meet the applicable guidelines and criteria heretofore adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located;

NOW, THEREFORE, the City, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of major investment in the Zone that contributes to the economic development of the City and enhancement of the tax base in the City and Grayson County, Texas; and

TI, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Sections 312.201 through 312.211 of the Code, does hereby contract, covenant and agree as follows:

I. DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

- A. “TI AFFILIATE” shall mean any Person, directly or indirectly controlling, controlled by, or under common control with TI. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.
- B. “EFFECTIVE DATE” shall have the meaning given it in the introductory paragraph of this Agreement.
- C. “ELIGIBLE PROPERTY VALUE” shall mean (i) with respect to each Qualified Facility for a particular tax year, the value of such Qualified Facility on the tax rolls of the Grayson Appraisal District as of such tax year; and (ii) with respect to business personal property located on the Premises for a particular tax year, the value of such business personal property on the tax rolls of the Grayson Appraisal District as of such tax year.
- D. “FORCE MAJEURE” shall mean, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City’s legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of TI (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.
- E. “PERSON” shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.
- F. “PREMISES” shall mean all that parcel of land owned by TI as hereinafter described in Exhibit B attached hereto.

- G. "QUALIFIED FACILITIES" shall mean any building, improvement, structure, fixture, parking or paving constructed on the Premises.
- H. "REAL PROPERTY" and "PERSONAL PROPERTY" shall, for the purposes of this agreement, be defined by the Texas Tax Code.
- I. "WAREHOUSED PROPERTY" is defined as any TI owned equipment from another TI facility or supplier, to be moved in and out throughout the duration of this agreement, equipment of which is not used in the day-to-day operations of TI.

II. GENERAL PROVISIONS

- A. All procedures followed by the City shall conform to the requirements of the Code, and shall be undertaken in coordination with TI's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by TI or a TI Affiliate, which Premises are located solely within the city limits of the City and solely within the Zone.
- C. The Premises are not in an improvement project financed by tax increment bonds.
- D. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City; provided, however, that this section shall not be construed to create a security interest in the Premises or Qualified Facilities in favor of such holders of outstanding bonds of the City.
- E. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of the City or any member of the governing body of any taxing unit joining in or adopting this Agreement.
- F. This Agreement is intended to comply with the requirements of Section 312.204 of the Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Texas Tax Code, Chapter 312, by the Guidelines and by resolution of the City Council authorizing execution of this Agreement.
- G. During the period of the tax abatement herein authorized, TI shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

III. CONDITION PRECEDENT TO TAX ABATEMENT

As a condition precedent to a tax abatement under this Agreement, TI or a TI Affiliate must substantially locate all Improvements to the Premises by January 1, 2014.

**IV.
TERM AND ABATEMENT PERIOD**

A five (5) year tax abatement period permitted by law is hereby granted with respect to all Warehoused Property located therein or otherwise on the Premises, as indicated in Section VI below. The tax abatement period shall commence to run beginning January 1, 2014.

**V.
INITIAL AND MINIMUM TAX LIABILITY**

A. For the purposes of this Agreement, the Warehoused Property shall reflect a minimum original acquisition cost of \$10 million.

B. During the period of tax abatement herein authorized, TI shall be liable to the City for a minimum taxable value assigned under Sec. V.A. for all property covered under this Agreement.

**VI.
RATE, SCOPE, CONDITIONS AND COVENANTS**

The rate and scope and additional conditions of tax abatement shall be as follows:

A. Annual Rates of Abatement – The following shall be the annual rates of tax abatement for the business personal property located therein or otherwise on the Premises and subject to this Agreement:

PERSONAL PROPERTY	
Year	Percentage of City Property Taxes Abated
1	55%
2	55%
3	55%
4	55%
5	55%

B. Operation Covenant. TI shall operate the Facility in accordance with prudent industry standards and applicable law.

C. Property Tax Covenant. Throughout the term of this Agreement, TI shall timely pay all property taxes for the Premises and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.

D. Management Change Notice Covenant. During the term of this Agreement, TI shall notify the City in writing of any change of the manager of TI within seven (7) days of such change.

VII. REPORTING AND MONITORING

TI agrees to the following reporting and monitoring provisions, and failure to fully and timely comply with any one requirement shall constitute an event of default:

A. Not later than January 31 of each applicable year, TI shall submit to the City a certification from TI as to the conditions set forth in Section VI.B., C., and D.

B. TI shall provide to the City a semi-annual report certifying the status of compliance through the life of the Agreement of new investments and any other relevant information.

C. TI, during normal business hours, at its headquarters or at the Sherman plant location, shall allow to the City, its agents and employees, reasonable access to its books and records that are related to the described economic development consideration and incentives, to verify records related to economic development considerations and incentives, but the confidentiality of such records will be maintained.

D. TI further covenants and agrees that the City, its agents and employees, shall have a continuing and reasonable right of access to the real property, together with all Premises, Qualified Facilities and Warehoused Property, at reasonable times and with reasonable notice to TI, and in accordance with TI's visitor access and security policies, in order to inspect the Premises, Qualified Facilities and Warehoused Property to insure that the installation of the Warehoused Property is in accordance with this Agreement and that all applicable state and local laws, ordinances and regulations are being followed. City, its agents and employees, shall defend, indemnify, and hold harmless TI from any damages or liability to persons or property arising from City, its agents and employees, entry upon TI's Property, unless such injury is caused by the sole negligence of TI, to the extent permitted by law.

E. The Premises at all times shall be used in a manner that is consistent with the general purpose of encouraging development within the Zone.

VIII. BREACH/FAILURE TO MEET CERTAIN CONDITIONS

In the event that TI breaches any of the terms or conditions of this Agreement, then TI shall be in default of this Agreement. In the event TI defaults in its performance, the City shall give TI written notice of such default/failure of condition and, if TI has not cured such default/failure of condition within sixty (60) days of said written notice, then this Agreement may be terminated by the City; provided, however, that if such default is not reasonably susceptible of cure within such sixty (60) day period and TI has commenced and is pursuing the cure of same, then, after first advising the City Council of TI's efforts to cure same, TI may utilize an additional ninety (90) days for such purposes. Additional time, i.e., time in addition to the foregoing one hundred

fifty (150) days, may be authorized by the City Council. City's sole and exclusive remedy against any Person for any breach or failure of condition under this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that this Agreement shall terminate and all future tax abatements under this Agreement shall be void (it being understood that the City shall not be entitled to any repayment of tax abatements under this Agreement, except as provided in Section IX below, and it being further understood that the failure to meet a covenant set forth in Section VI.B., C. or D. for any year is not a breach and results only in the loss to the right to abatement for such year). Notwithstanding any provision in this Agreement to the contrary, neither TI nor any other Person shall be required to pay any amounts to the City under this Agreement, with the only remedy being the loss of future tax abatements.

IX. CONTINUITY OF OPERATIONS

Notwithstanding Section VI.A. above, if for any reason operations are suspended or cease at any point during the term of this Agreement, then no tax abatements under this Agreement shall be provided. Further, in the event of any cessation of operations, or abandonment of Premises by TI, all previously abated taxes are immediately due to the City.

X. EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

This Agreement shall be binding on and inure to the benefit of the Parties and all TI Affiliates, their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that TI may assign this Agreement and all of its rights hereunder to any Affiliate. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party including, but not limited to, an assignment to such Parties upon a foreclosure. Any assignment in violation of this Section X shall not affect any rebates with respect to which TI or any TI Affiliate is already entitled.

XI. NOTICE

All notices called for or required by this Agreement shall be addressed to the following, or such other Party or address as either Party designates in writing, by certified mail, postage prepaid or by hand delivery:

TI:

U.S. Property and Sales Tax Manager
Texas Instruments Incorporated
Kilby West – M/S 3998
13570 N. Central Expressway
Dallas, Texas 75243

City:

City Manager
City of Sherman
220 West Mulberry Street
P. O. Box 1106
Sherman, Texas 75091-1106

XII.
CITY COUNCIL AUTHORIZATION

This Agreement was authorized by resolution of the City Council that was approved by the affirmative vote of a majority of the City Council at its regularly scheduled City Council meeting on the ____ day of _____, 2013, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.
TI AUTHORIZATION

An authorized representative of TI entered into this Agreement.

XIV.
SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XV.
ESTOPPEL CERTIFICATE

Any Party hereto may request an estoppel certificate from another Party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of TI, shall include, but not necessarily be limited to, statements (to the actual knowledge of the Party providing such) that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the Party(ies) to receive the certificate. The City Manager for the City shall provide any such certificate on behalf of the City.

XVI.
APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be in a court located in Grayson County, Texas.

XVII.
INDEMNIFICATION

A. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, TI SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCILMEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "CITY'S INDEMNIFIED PARTY") FOR,

FROM AND AGAINST ANY AND ALL LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART) TI'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify TI of any indemnified Losses or Claim for indemnified Losses in respect of which the City's Indemnified Party may be entitled to indemnification under this Section XVII. Such notice shall be given as soon as reasonably practicable after the City's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City's Indemnified Party by reason of any matter for which the City's Indemnified Party is indemnified hereunder, TI shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at TI's sole cost and expense, resist and defend the same with legal counsel selected by TI; provided, however, that TI shall not admit liability in any such matter on behalf of the City's Indemnified Party. TI's obligation to defend shall apply regardless of whether the City's Indemnified Party is solely or concurrently negligent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with TI and participating in the defense of any litigation by their own counsel. If TI fails to retain defense counsel within seven (7) business days after receipt of City's Indemnified Party written notice that the City's Indemnified Party is invoking its right to indemnification under this Agreement, the City's Indemnified Party shall have the right to retain defense counsel on their own behalf, and TI shall be liable for all usual and customary defense costs incurred by the City's Indemnified Party.

D. Limitation on Indemnity. The amount owing to an Indemnified Party will be the amount of the Indemnified Party's Losses net of any insurance proceeds received by the indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

XVIII. ENTIRE AGREEMENT

This Agreement constitutes the entire Tax Abatement Agreement between the Parties, supersedes any prior understanding or written or oral tax abatement agreements or representations between the Parties, and can be modified only by written instrument subscribed to by all Parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument among the City and TI relating to matters other than the abatement of real property taxes with respect to the Premises and the Qualified Facilities and business personal property located on the Premises. This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original.

EXECUTED the _____ day of _____, 2013.

CITY OF SHERMAN, TEXAS

By: _____

Carolyn S. Wacker
Mayor

ATTEST:

By: _____

Linda Ashby
City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM:

By: _____

Brandon S. Shelby
City Attorney

TEXAS INSTRUMENTS INCORPORATED,
a Delaware Corporation

By: _____

Paul Fego
Vice President of Worldwide Manufacturing

MAYOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Carolyn S. Wacker, Mayor of the City of Sherman, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, a municipal corporation, that she was duly authorized to perform the same by appropriate resolution of the City Council for the City of Sherman and that she executed the same as the act of the said City for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 2013.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

TI ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Paul Fego, Vice President of Worldwide Manufacturing for Texas Instruments Incorporated, a Delaware Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me he executed the same as a duly authorized officer of such corporation, and as the act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 2013.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

**EXHIBIT A
TO TAX ABATEMENT AGREEMENT**

Comprehensive Guidelines

[Attached]

RESOLUTION NO. 5676

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, by Resolution No. 5494, passed and approved on June 7, 2010, the City of Sherman declared its eligibility and intention to participate in the Tax Abatement Program to promote development/redevelopment in certain areas of the City and adopted Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs; and

WHEREAS, the City of Sherman is required to renew the guidelines and criteria adopted for this program every two years;

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

SECTION 1. That the City Council of the City of Sherman, Texas, hereby renews the following Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED TAX ABATEMENT GUIDELINES AND CRITERIA**

1. A tax abatement agreement must be reasonably likely to contribute to the retention or expansion of primary employment or to attract a primary employer to make a major capital investment that will benefit the City of Sherman's economic development. Primary employers are those companies whose sales, service and shipments are ultimately used in statewide, national or international markets.
2. A tax abatement agreement will not be entered into where a company is only changing its location within Grayson County, without increasing the number of employees, significantly expanding the facilities, or unless failure to grant such abatement would mean the loss of the business operation in Grayson County.
3. Tax abatement agreements will be considered for both new facilities and structures and for the expansion or modernization of existing facilities and structures.
4. The City Council of the City of Sherman will approve or deny a tax abatement request based upon the subjective evaluation of the following guidelines and criteria. The Council may consider any advisory recommendations received from the Tax Reinvestment Advisory Committee as it may choose:

- Employment Impact

How many jobs will be created by this project?

How many current jobs will be retained by this project?

What types of jobs will be created or retained?

What will the annual total payroll of the created and/or retained jobs be, in current dollars and projected for each of the next five years?

- Fiscal Impact

How much real and personal property will be added to the tax rolls, for each tax year covered by the abatement agreement?

What is the economic life to the additional property?

What effect will this project have on existing businesses or facilities?

What is the total budget for this project, projected for each year covered by the abatement agreement?

What capital expenditures will the project require of the City of Sherman?

- Community Impact

What effect would the project have on the local housing market?

Is the project compatible with existing long-range or comprehensive plans?

What is the environmental impact of the project?

SECTION 2. That these Renewed Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

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 4th day of June, 2012.

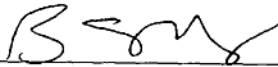
CITY OF SHERMAN, TEXAS

BY: 
BILL MAGERS, MAYOR

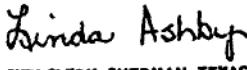
ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: 
BRANDON S. SHELBY,
CITY ATTORNEY

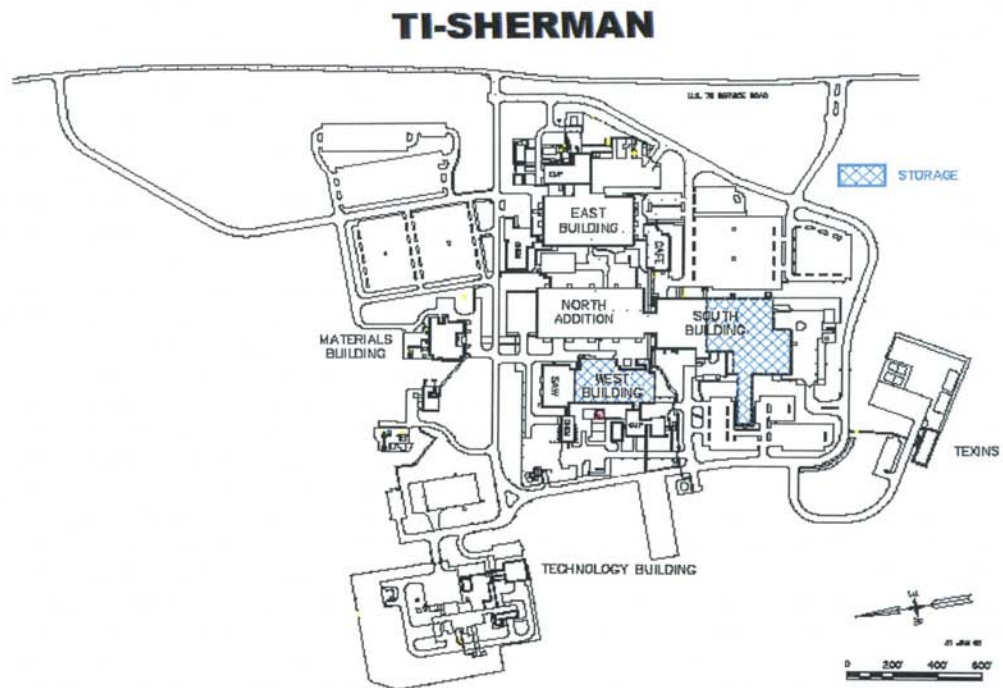
CERTIFIED COPY - DOCUMENT
THIS IS CERTIFIED TO BE A TRUE COPY
OF THE PERMANENT RECORD AS FILED IN
THE OFFICE OF THE CITY CLERK.


CITY CLERK, SHERMAN, TEXAS

ISSUED: 2/6/13

**EXHIBIT B
TO TAX ABATEMENT AGREEMENT**

The Premises



Field Notes

Legal Description

SITUATED in Grayson County, Texas in the City of Sherman, the William Martin Survey, Abstract No. 765, the John Chronister Survey, Abstract No. 248 and the S. Dunman Survey, Abstract No. 329 and being part of two (2) tracts more particularly referenced as follows:

1. Part of a called 5.450 acre tract of land conveyed to Texas Instruments Inc. from D.C. Enloe et al. by deed filed September 28, 1965 and recorded in volume 1038, page 49 of the Deed Records of Grayson County.
2. Part of a called 470.340 acre tract of land conveyed to Texas Instruments Inc. from Joe Hilburn and wife Johnnie V. Hilburn by deed filed September 1, 1965 and recorded in volume 1036, page 247 of the Deed Records of Grayson County, Texas.

Said part of two tracts being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod in the curve of the West right-of-way of U.S. Highway 75 and in the East line of said 5.450 acre tract, said iron rod bears N 3° 10' 31" E 11.09 feet from the Southeast corner of the 5.450 acre tract, said iron rod also bears S 86° 52' 56" E 5530.00 feet from the center of said curve;

THENCE: With the curve of the West right-of-way of U.S. 75 and the East line of the 5.450 acres and 470.340 acres tracts through an arc length of 785.29 feet to a 1/2 inch iron rod at the point of tangency, said curve having a central angle of 8° 08' 11", a radius of 5530.00 feet and a chord bearing and distance of S 7° 11' 10" W 784.63 feet;

THENCE: S 11° 15' 15" W 2772.22 feet with the West right-of-way of U.S. 75 and the East line of the 470.340 acre tract to a 1/2 inch

iron rod for corner from which a right-of-way marker bears N 11° 15' 15" E 151.00 feet and from which the most Easterly Southeast corner of the 470.340 acre tract bears S 11° 15' 15" W 661.92 feet;

THENCE: Across said 470.340 acre tract as follows:

S 76° 15' 10" W 1378.36 feet to a 1/2 iron rod;
N 59° 39' 46" W 817.23 feet to a 1/2 iron rod;
N 0° 21' 35" W 1139.66 feet to a 1/2 iron rod;
N 27° 07' 26" E 739.59 feet to a 1/2 iron rod;
S 89° 14' 11" E 277.52 feet to a 1/2 iron rod;
N 0° 38' 45" E 311.12 feet to a 1/2 iron rod;
S 83° 58' 11" E 194.32 feet to a 1/2 iron rod;
N 9° 41' 33" E 206.44 feet to a 1/2 iron rod;
S 89° 54' 09" E 982.17 feet to a 1/2 iron rod;
N 0° 44' 03" E 462.12 feet to a 1/2 iron rod;

THENCE: N 42° 21' 28" E 918.42 feet across the 470.340 acre and 5.450 acre tracts to a 1/2 inch iron rod for corner;

THENCE: S 86° 19' 00" E 237.95 feet across said 5.450 acre tract to the POINT OF BEGINNING and containing 136.869 acres of land more or less.

EXECUTION OF AGREEMENT

TAX REINVESTMENT ZONE INDUSTRIAL APPLICATION

SECTION I

1. Property Owner:
Texas Instruments, Incorporated

Mailing Address:
6412 Hwy 75 South, Sherman, TX 75091

Telephone Number:
(903) 868-7400

2. Property Owner's Representative:
Kathi McCoy

Mailing Address:
**Kilby West – M/S 3998
Texas Instruments, Incorporated
13570 N. Central Expressway
Dallas, TX 75243**

Telephone Number:
(214) 567-3459

3. Physical Property Address:
6412 Hwy 75 South, Sherman, TX 75091

4. Property Legal Description (include as an attachment with metes and bounds).
See attached layout

5. Property is located within: City of Sherman? **Yes**
Sherman ISD? **Yes**
Grayson County? **Yes**

6. Description of Project:

The project objective is to utilize surplus space to warehouse equipment prior to installation in Sherman or other TI factories. This project will enable the Sherman TI facility to utilize vacant space and provide the Sherman taxing entities additional revenue.

Tax abatement is requested for 5 years. The tax abatement will better position the Sherman TI site vs. other storage options. Without the abatement, TI will not warehouse equipment in the Sherman facility due to the higher property tax rates than other available locations.

7. Date of projected occupation of project/initiation of operations:

Commencement Date: February 1, 2013

Termination Date: January 31, 2018

8. Terms:

- a. The tax abatement for this project is 55%.
- b. Warehoused property is defined as any Texas Instruments, Incorporated owned equipment from another TI facility or supplier.
- c. Texas Instruments, Incorporated will provide a documented update of the warehoused property on December 15th annually.
- d. TI Sherman warehoused property will be available for audit by SEDCO or the appropriate taxing entity. 72 hour prior notification of any audits is required to insure TI's U.S. Property Tax Manager will be present.
- e. Warehoused property will be moved in/out through-out the duration of this agreement. Taxes will be assessed annually for warehoused property as of November 30th.

CRITERIA

Employment Impact

How many jobs will be brought to Sherman?

No additional jobs will be added.

What types of jobs will be created?

N/A

What will the total annual payroll be? Include current and increase factors.

N/A

Fiscal Impact

How much real and personal property value will be added to the tax rolls?

\$10M-\$300M investment

What is the economic life of the personal property?

Tax abatement is requested for 5 years. Equipment economic life is 4-6 years*.

***The project objective is to utilize surplus space to warehouse equipment prior to installation in Sherman or other TI factories. The tax abatement will better position the Sherman TI site vs. other storage options. Without the abatement, TI will not warehouse equipment in the Sherman facility due to the higher equipment tax rates.**

How much direct sales tax will be generated?

None

How will this project affect existing businesses and/or office facilities?

This project will enable the Sherman TI facility to utilize vacant space and provide the Sherman taxing entities additional revenue.

What infrastructure construction would be required?

None

What is the total annual operating budget of this facility projected to be? (For expansion state current and projected increase).

N/A

Community Impact

What effect would the project have on the local housing market?

No change related to this project

How compatible is the project with the city's Comprehensive Plan?

No impact

What environmental impact, if any, will be created by the project?

No impact from this project



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **C. 2.**

Meeting Date: 04/15/2013

Prepared By: Clay Barnett, City Engineer

Approved By: George Olson, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5771

Providing for Permanent "Stop" Signs at the Intersections of Sherbrooke Place and Peggy's Cove, Sherbrooke Place and Southridge Lane, Southridge Lane and Portsmouth Place, and Portsmouth Place and Peggy's Cove within the City Limits of the City of Sherman; Providing for a Penalty Provision

Issue:

To consider introducing, seeking public input, and adopting an ordinance providing for permanent "Stop" signs at the intersections of Sherbrooke Place and Peggy's Cove, Sherbrooke Place and Southridge Lane, Southridge Lane and Portsmouth Place, and Portsmouth Place and Peggy's Cove

Background:

Staff received a citizen request for the "Stop" signs and evaluated the request based on the criteria set forth by the Texas Manual of Uniform Traffic Control Devices. The signs have been up for a 90-day trial period with no complaints or issues noted.

Origination:

Citizen request and City Engineer

Financial Consideration:

The City's cost for installing the signs, totaling approximately \$510.00 (time and materials)

Staff Recommendation:

It is recommended that the City Council adopt the proposed ordinance.

Alternatives:

As directed by the City Council

Attachments

Ordinance No. 5771

Location Map

ORDINANCE NO. 5771

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT “STOP” SIGNS AT THE INTERSECTIONS OF SHERBROOKE PLACE AND PEGGY’S COVE, SHERBROOKE PLACE AND SOUTHRIDGE LANE, SOUTHRIDGE LANE AND PORTSMOUTH PLACE, AND PORTSMOUTH PLACE AND PEGGY’S COVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; 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, from and after the passage of this ordinance, permanent “Stop” signs shall be in place at the following locations within the corporate limits of the City of Sherman, Texas:

At the intersections of Sherbrooke Place and Peggy’s Cove, stopping westbound traffic on Sherbrooke Place as shown by the exhibit attached hereto and incorporated herein for all purposes.

At the intersections of Sherbrooke Place and Southridge Lane, stopping eastbound and westbound traffic on Sherbrooke Place as shown by the exhibit attached hereto and incorporated herein for all purposes.

At the intersections of Southridge Lane and Portsmouth Place, stopping eastbound traffic on Portsmouth Place as shown by the exhibit attached hereto and incorporated herein for all purposes.

At the intersections of Portsmouth Place and Peggy’s Cove, stopping westbound traffic on Portsmouth Place as shown by the exhibit attached hereto and incorporated herein for all purposes.

SECTION 2. That the City Engineer is directed to designate this action by the appropriate markings and signs.

SECTION 3. That, from and after the erection of the stop signs herein authorized, it shall be unlawful for the driver of any vehicle approaching such stop signs to fail to bring such vehicle to a complete stop at a clearly-marked stop line; but, if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the intersection. Violators of this ordinance shall be subject to fine as provided in Section 1-6 of the Code of Ordinances of the City of Sherman, Texas, codified.

SECTION 4. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. 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 _____ day of _____, 2013.

ADOPTED on this the _____ day of _____, 2013.

EFFECTIVE DATE on this the _____ day of _____, 2013.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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



Sherman
CLASSIC TOWN, BROAD HORIZON,
Engineering Department

Stop Sign Locations





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **C. 3.**

Meeting Date: 04/15/2013

Prepared By: Scott Shadden, Director Developmental Services

Approved By: George Olson, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5772

Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow Tire Sales and Service in a C-1 (Retail Business) District at 804 E. Lamar Street, being Lots 1, 2, 3, and the West 22 feet of Lot 4, Block A, H.M. Sumner's First Addition (Isidoro Lopez, Owner; and Frank Leal, Representative); Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed \$2,000.00

Issue:

To consider the request of Isidoro Lopez (Owner) and Frank Leal (Representative) concerning the property at 804 E. Lamar Street, being Lots 1, 2, 3, and the west 22 feet of Lot 4, Block A, H.M. Sumner's First Addition, to allow tire sales and service in a C-1 (Retail Business) District

Background:

The property is located at 804 E. Lamar Street, the southeast corner of Maxey and Lamar, and is zoned a C-1 (Retail Business) District. The Owner would like to open a tire sales and service business in the existing building, which was formerly used as a church.

Origination:

Isidoro Lopez (Owner)
Frank Leal (Representative)

Financial Consideration:

None

Staff Recommendation:

At the March 19, 2013 regular meeting, the Planning and Zoning Board voted 6/0 to recommend to the City Council that the Specific Use Permit be approved subject to the Staff Review Letter.

Alternatives:

The City Council could deny the request.

Attachments

Ordinance No. 5772

Location Map

Zoning Map

Photo

Photo

Site Plan

P&Z Communication Form

Staff Review Letter

ORDINANCE NO. 5772

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 TIRE SALES AND SERVICE IN A C-1 (RETAIL BUSINESS) DISTRICT AT 804 E. LAMAR STREET, BEING LOTS 1, 2, 3, AND THE WEST 22 FEET OF LOT 4, BLOCK A, H.M. SUMNER'S FIRST ADDITION (ISIDORO LOPEZ, OWNER; AND FRANK LEAL, REPRESENTATIVE); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; 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 Planning and Zoning Commission and the City Council, in accordance with the state law and the ordinances of the City of Sherman, have given the required notices and have held the required public hearings regarding this Specific Use Permit; and

WHEREAS, the City Council finds that this use will complement or be compatible with the surrounding uses and community facilities; contribute to, enhance, or promote the welfare of the area of request and adjacent properties; not be detrimental to the public health, safety, or general welfare; and conform in all other respects to all applicable zoning regulations and standards; and

WHEREAS, the City Council finds that it is in the public interest to grant this specific use permit, subject to certain conditions;

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

SECTION 1. That, from and after the passage of this ordinance, Isidoro Lopez (Owner) and Frank Leal (Representative) are granted a Specific Use Permit to allow tire sales and service in a C-1 (Retail Business) District at 804 E. Lamar Street, and that Section 8, Subsection (5)(a), Ordinance No. 2280 is hereby amended so as to hereafter include the following described property:

BEING Lots 1, 2, 3, and the west 22 feet of Lot 4, Block A, H.M. Sumner's First Addition

SECTION 2. That this specific use permit is granted on the following conditions:

Zoning:

1. All aspects of the C-1 (Retail Business) District, the sign ordinance and the Commercial Tree and Landscaping Ordinance must be followed.
2. Screening shall be provided abutting R-1 (One Family Residential) District.

3. No outside parking or storage of dismantled vehicles, wrecks, parts (tires) or displays are allowed.
4. Parking is permitted on paved surfaces only (concrete or asphalt); a parking space is considered to be 9'x20'.
5. All parking shall be on private property and shall not encroach into E. Lamar Street right-of-way.
6. Fire lanes and codes shall be coordinated with the Fire Marshal, (903.892.7267).
7. Site plan approval is valid for a period of one year, if progress has not been made within that time period; resubmission to the Planning & Zoning Commission is required.

SECTION 3. That this ordinance shall not become effective until entered upon the official zoning map as provided in Section 8, Subsection (5)(a), Ordinance No. 2280.

SECTION 4. That a person who violates a provision of this ordinance, upon conviction, is punishable by a fine not to exceed \$2,000.00.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. 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 _____ day of _____, 2013.

ADOPTED on this the _____ day of _____, 2013.

EFFECTIVE DATE on this the _____ day of _____, 2013.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY



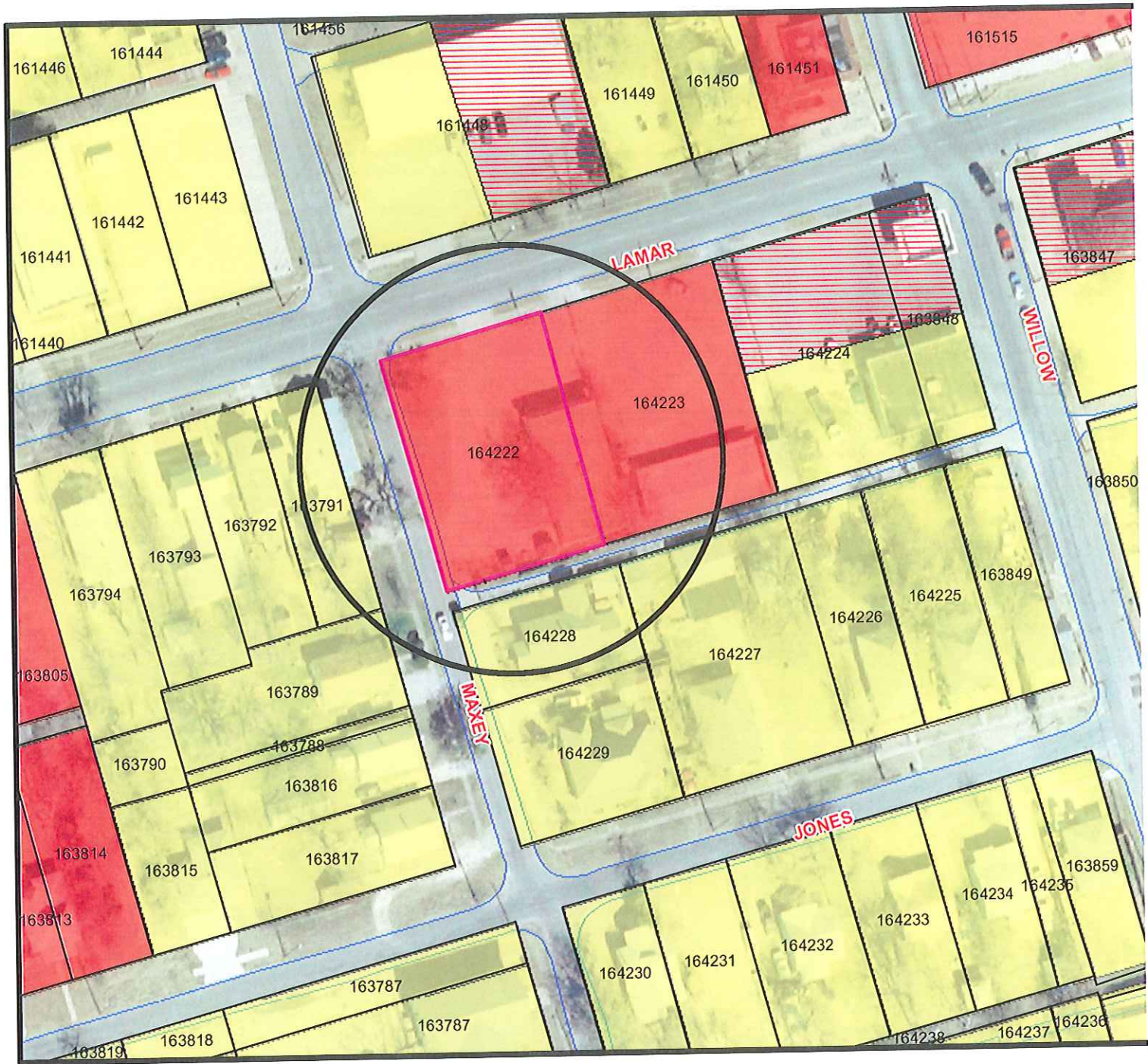
804 E. Lamar

Sherman
CLASSIC TOWN. BROAD HORIZON.

City of Sherman, Texas
Developmental Services Department



1 inch = 86 feet



Zoning - 804 E. Lamar

Legend

	O 1 HIGHWAY 75 & 82 OVERLAY DISTRICT		C-2 General Commercial District
	O 1.1 FM 1417 OVERLAY DISTRICT		M-1 Light Manufacturing District
	O 1.2 SAM RAYBURN FREEWAY OVERLAY DISTRICT		R-A Single Family Agricultural District
	C B D DOWNTOWN BUSINESS DISTRICT		SF-1 Single Family Residential District
	C P O COLLEGE PARK OVERLAY DISTRICT		M-1.5 Medium Manufacturing District
	A & C ARTS & CULTURAL OVERLAY DISTRICT		M-2 Heavy Manufacturing District
	CO Office District		MH Manufacturing Housing District
	R-1 One Family Residential District		Blaylock Commercial District
	R-2 Multi-Family Residential District		BIP Blalock Industrial Park
	C-1 Retail Business District		



804 E. Lamar





N
↑

LAMAR St.

MAXEY St.

111 FT 5"

← 62-8" →

← 66 FT 9" →

← 40 FT →

← 83 FT →

← 75 FT →

← 75 FT →

Building

4th

← 40 FT →

111 FT 5"
~~105 FT~~

← 97 FT 7" →

City of Sherman
Planning and Zoning Commission
Board of Adjustments
Agenda Communication Form
March 19, 2013
Don Hicks, Chairman

Joe Gilbert, Vice-Chairman
Brad Morgan, Commissioner
Darren Tankersley, Commissioner
Ron Barton, Commissioner

Richard Barber, Commissioner
Ryan Michael Kreck, Commissioner
Sam Thorpe, Commissioner
Ronnie Dutton, Commissioner

804 E. Lamar
Being Lots 1, 2, 3, and the west 22 feet of Lot 4, Block A, H.M. Sumner's First Addition
Specific Use Permit & Site Plan

Requested Action/Proposed Use:

Planning and Zoning Commission

Specific Use Permit and site plan approval to allow tire sales and service in a C-1 (Retail Business) District.

Background

The property is located at 804 E. Lamar Street, the southeast corner of Maxey and Lamar and is zoned a C-1 (Retail Business) District. The owner would like to open a tire sales and service business in the existing building, which was formerly used as a church.

Adjacent Zoning:

C-1 (Retail Business) District and R-1 (One Family Residential) District

Origination:

Isidoro Lopez (Owner) and Frank Leal (Representative)

Master Plan Designation:

Public/Institutional – The Public and Institutional character type includes schools, churches, and other public services for the City. Buildings may be designed to act as landmarks and this urban design adds flair to a neighborhood.

Number of notices mailed: 18

Objections Received: 0

Attachments: Location map, Photographs, Site Plan, Staff Review Letter

Prepared By:
Patsy Reeves
Developmental Services Secretary

Approved By:
Scott Shadden,
Director of Developmental Services

**STAFF REVIEW LETTER**

March 13, 2013

Isidoro Lopez
516 Spalding Rd.
Whitesboro, TX 76273

Frank Leal
907 S. Hub
Sherman, TX 75090

Dear Applicants,

Your request for a Specific Use Permit and site plan approval to allow tire sales and service in a C-1 (Retail Business) District located at 804 E. Lamar Street has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, March 19, 2013 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

City staff has reviewed your request with regards to zoning, engineering and development guidelines and finds the following items need to be addressed:

Zoning:

1. All aspects of the C-1 (Retail Business) District, the sign ordinance and the Commercial Tree and Landscaping Ordinance must be followed.
2. Screening shall be provided abutting R-1 (One Family Residential) District.
3. No outside parking or storage of dismantled vehicles, wrecks, parts (tires) or displays are allowed.
4. Parking is permitted on paved surfaces only (concrete or asphalt); a parking space is considered to be 9'x20'.
5. All parking shall be on private property and shall not encroach into E. Lamar Street right-of-way.
6. Fire lanes and codes shall be coordinated with the Fire Marshal, (903.892.7267).
7. Site plan approval is valid for a period of one year, if progress has not been made within that time period; resubmission to the Planning & Zoning Commission is required.

Any other changes made to the site plan prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff, as to not require resubmission to the Planning & Zoning Commission.

You are hereby notified to be present, either in person or by your authorized representative to present your request on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Scott Shadden at 903-892-7229 prior to the meeting.

Respectfully,

Scott Shadden,
Secretary, Planning and Zoning Board and Board of Adjustment

CC: George Olson, City Manager
Mark Gibson, Director Utilities & Engineering Services
Clay Barnett, City Engineer

Jamie Baggs, Fire Marshal
Brandon Shelby, City Attorney
Lisa Whitfield, Engineering & Development Coordinator



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **C. 4.**

Meeting Date: 04/15/2013

Approved by: George Olson, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers: 5771 and 5772

List of Agenda Items:

C.1 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5771

Providing for Permanent "Stop" Signs at the Intersections of Sherbrooke Place and Peggy's Cove, Sherbrooke Place and Southridge Lane, Southridge Lane and Portsmouth Place, and Portsmouth Place and Peggy's Cove within the City Limits of the City of Sherman; Providing for a Penalty Provision

C.2 INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5772

Amending Section 8, Subsection (5)(a), Ordinance No. 2280, so as to Grant a Specific Use Permit to Allow Tire Sales and Service in a C-1 (Retail Business) District at 804 E. Lamar Street, being Lots 1, 2, 3, and the West 22 feet of Lot 4, Block A, H.M. Sumner's First Addition (Isidoro Lopez, Owner; and Frank Leal, Representative); Providing that this Specific Use Permit Shall be Granted Subject to Certain Conditions; Providing a Penalty Not to Exceed \$2,000.00



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **C. 5.**

Meeting Date: 04/15/2013

Approved by: George Olson, 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

List of Agenda Items:

D.3. *** RESOLUTION NO. 5762**

Authorizing Execution of an Encroachment Easement to Saxton Sherman, LLC for the Placement of Four Light Poles over a Sanitary Sewer Easement and Two Utility Easements on Lot 1-R, Block "C" of the Sherman Commons Addition within the City of Sherman

D.4. *** RESOLUTION NO. 5763**

Awarding a Bid to and Authorizing Execution of an Agreement with Josh Willeford for an Agricultural Lease at the Sherman Wastewater Treatment Plant

E. 2. *** OTHER BUSINESS**

Replat Approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2, containing 0.59 acres; DGR Development Group Ltd and Dean Gilbert, Inc., Owners; Sartin & Associates, Inc., Surveyors (2908 and 2912 Sedalia Trail)



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **D. 1.**

Meeting Date: 04/15/2013

Prepared By: Robby Hefton, Assistant City Manager/CFO

Approved By: George Olson, City Manager

Caption:

RESOLUTION NO. 5760

Authorizing Execution of an Agreement with Texas Instruments Incorporated for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas

Issue:

Approval of a proposed property tax abatement agreement between the City of Sherman and Texas Instruments Incorporated (TI)

Background:

The Tax Reinvestment Committees of the City of Sherman, the Sherman Independent School District, Grayson County, and Grayson College met on March 5, 2013 to discuss TI's request for tax abatement for warehousing equipment to be relocated to its Sherman plant from other locations within the company, said equipment to be stored locally until it could be relocated to other facilities, repositioned within the Sherman plant, or otherwise liquidated. TI expects the value of the equipment to be between \$10 and \$300 million and expects the equipment to be on site for up to five (5) years.

The proposed agreement calls for a five (5) year abatement with a consistent abatement percentage of 55%. The agreement also provides for a minimum taxable value during the term of the agreement of at least \$10 million. No additional employment levels will be established through this agreement. As is the case with all tax abatements, none of the proposed property considered under this abatement agreement is currently on the tax rolls, so the benefit from this abatement is that the City will see a net increase in property tax revenues.

Origination:

Texas Instruments Incorporated
Tax Reinvestment Committee

Financial Consideration:

At a minimum taxable value of \$10 million each year, this project would generate \$72,000 in property tax revenues for the City over the first five (5) years at the current tax rate; and the abatement will provide an estimated benefit to the taxpayer of \$88,000 over the same time frame.

Staff Recommendation:

It is recommended that the City Council approve the proposed tax abatement agreement.

Alternatives:

The City Council could deny the tax abatement agreement.

Attachments

Resolution No. 5760

Tax Abatement Agreement

Application

RESOLUTION NO. 5760

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES WITHIN INDUSTRIAL REINVESTMENT ZONE NO. 042013-1; 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 Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Texas Instruments Incorporated and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Texas Instruments Incorporated for the abatement of ad valorem property taxes for a period of five (5) years, for improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas, including the warehousing of equipment relocated to its Sherman plant from other locations within the company, said equipment to be stored locally until its relocation to other facilities, repositioning within the Sherman plant, or otherwise liquidated, in the same or substantially same form as the contract documents attached hereto and made a part hereof 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 _____, 2013.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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

TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

THIS TAX ABATEMENT AGREEMENT (“Agreement”) is made and entered into as of the ____ day of _____, 2013 (the “Effective Date”), by and among the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas, duly acting herein by and through its Mayor (“City”); and Texas Instruments Incorporated, a Delaware Corporation, acting by and through its authorized officers (“TI”), for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 1st day of April, 2013, the City Council of the City (“City Council”) passed Ordinance No. 5770 (“Ordinance”) establishing Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas (“Zone”), for commercial-industrial tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended (“Code”); and

WHEREAS, the City has adopted Guidelines and Criteria for the Industrial Tax Abatement Program (“Guidelines”), by the passage of Resolution No. 5676, on the 4th day of June, 2012; and

WHEREAS, the City’s current Guidelines are attached as Exhibit A hereto; and

WHEREAS, the Guidelines constitute appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Code; and

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, TI currently owns the Premises, as hereinafter defined, and TI expects to store manufacturing machinery and equipment (the “Improvements”) on the Premises. The Improvements and use of the Premises is expected to significantly enhance the economic base of the City; and

WHEREAS, the City Council also finds that the improvements sought are feasible and practical and would be of benefit to the land to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, the City Council finds that the terms of this Agreement and the Premises and proposed Qualified Facilities, as hereinafter defined, meet the applicable guidelines and criteria heretofore adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located;

NOW, THEREFORE, the City, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of major investment in the Zone that contributes to the economic development of the City and enhancement of the tax base in the City and Grayson County, Texas; and

TI, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Sections 312.201 through 312.211 of the Code, does hereby contract, covenant and agree as follows:

I. DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

- A. "TI AFFILIATE" shall mean any Person, directly or indirectly controlling, controlled by, or under common control with TI. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.
- B. "EFFECTIVE DATE" shall have the meaning given it in the introductory paragraph of this Agreement.
- C. "ELIGIBLE PROPERTY VALUE" shall mean (i) with respect to each Qualified Facility for a particular tax year, the value of such Qualified Facility on the tax rolls of the Grayson Appraisal District as of such tax year; and (ii) with respect to business personal property located on the Premises for a particular tax year, the value of such business personal property on the tax rolls of the Grayson Appraisal District as of such tax year.
- D. "FORCE MAJEURE" shall mean, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City's legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of TI (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.
- E. "PERSON" shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.
- F. "PREMISES" shall mean all that parcel of land owned by TI as hereinafter described in Exhibit B attached hereto.

- G. "QUALIFIED FACILITIES" shall mean any building, improvement, structure, fixture, parking or paving constructed on the Premises.
- H. "REAL PROPERTY" and "PERSONAL PROPERTY" shall, for the purposes of this agreement, be defined by the Texas Tax Code.
- I. "WAREHOUSED PROPERTY" is defined as any TI owned equipment from another TI facility or supplier, to be moved in and out throughout the duration of this agreement, equipment of which is not used in the day-to-day operations of TI.

II. GENERAL PROVISIONS

- A. All procedures followed by the City shall conform to the requirements of the Code, and shall be undertaken in coordination with TI's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by TI or a TI Affiliate, which Premises are located solely within the city limits of the City and solely within the Zone.
- C. The Premises are not in an improvement project financed by tax increment bonds.
- D. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City; provided, however, that this section shall not be construed to create a security interest in the Premises or Qualified Facilities in favor of such holders of outstanding bonds of the City.
- E. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of the City or any member of the governing body of any taxing unit joining in or adopting this Agreement.
- F. This Agreement is intended to comply with the requirements of Section 312.204 of the Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Texas Tax Code, Chapter 312, by the Guidelines and by resolution of the City Council authorizing execution of this Agreement.
- G. During the period of the tax abatement herein authorized, TI shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

III. CONDITION PRECEDENT TO TAX ABATEMENT

As a condition precedent to a tax abatement under this Agreement, TI or a TI Affiliate must substantially locate all Improvements to the Premises by January 1, 2014.

**IV.
TERM AND ABATEMENT PERIOD**

A five (5) year tax abatement period permitted by law is hereby granted with respect to all Warehoused Property located therein or otherwise on the Premises, as indicated in Section VI below. The tax abatement period shall commence to run beginning January 1, 2014.

**V.
INITIAL AND MINIMUM TAX LIABILITY**

A. For the purposes of this Agreement, the Warehoused Property shall reflect a minimum original acquisition cost of \$10 million.

B. During the period of tax abatement herein authorized, TI shall be liable to the City for a minimum taxable value assigned under Sec. V.A. for all property covered under this Agreement.

**VI.
RATE, SCOPE, CONDITIONS AND COVENANTS**

The rate and scope and additional conditions of tax abatement shall be as follows:

A. Annual Rates of Abatement – The following shall be the annual rates of tax abatement for the business personal property located therein or otherwise on the Premises and subject to this Agreement:

PERSONAL PROPERTY	
Year	Percentage of City Property Taxes Abated
1	55%
2	55%
3	55%
4	55%
5	55%

B. Operation Covenant. TI shall operate the Facility in accordance with prudent industry standards and applicable law.

C. Property Tax Covenant. Throughout the term of this Agreement, TI shall timely pay all property taxes for the Premises and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.

D. Management Change Notice Covenant. During the term of this Agreement, TI shall notify the City in writing of any change of the manager of TI within seven (7) days of such change.

VII. REPORTING AND MONITORING

TI agrees to the following reporting and monitoring provisions, and failure to fully and timely comply with any one requirement shall constitute an event of default:

A. Not later than January 31 of each applicable year, TI shall submit to the City a certification from TI as to the conditions set forth in Section VI.B., C., and D.

B. TI shall provide to the City a semi-annual report certifying the status of compliance through the life of the Agreement of new investments and any other relevant information.

C. TI, during normal business hours, at its headquarters or at the Sherman plant location, shall allow to the City, its agents and employees, reasonable access to its books and records that are related to the described economic development consideration and incentives, to verify records related to economic development considerations and incentives, but the confidentiality of such records will be maintained.

D. TI further covenants and agrees that the City, its agents and employees, shall have a continuing and reasonable right of access to the real property, together with all Premises, Qualified Facilities and Warehoused Property, at reasonable times and with reasonable notice to TI, and in accordance with TI's visitor access and security policies, in order to inspect the Premises, Qualified Facilities and Warehoused Property to insure that the installation of the Warehoused Property is in accordance with this Agreement and that all applicable state and local laws, ordinances and regulations are being followed. City, its agents and employees, shall defend, indemnify, and hold harmless TI from any damages or liability to persons or property arising from City, its agents and employees, entry upon TI's Property, unless such injury is caused by the sole negligence of TI, to the extent permitted by law.

E. The Premises at all times shall be used in a manner that is consistent with the general purpose of encouraging development within the Zone.

VIII. BREACH/FAILURE TO MEET CERTAIN CONDITIONS

In the event that TI breaches any of the terms or conditions of this Agreement, then TI shall be in default of this Agreement. In the event TI defaults in its performance, the City shall give TI written notice of such default/failure of condition and, if TI has not cured such default/failure of condition within sixty (60) days of said written notice, then this Agreement may be terminated by the City; provided, however, that if such default is not reasonably susceptible of cure within such sixty (60) day period and TI has commenced and is pursuing the cure of same, then, after first advising the City Council of TI's efforts to cure same, TI may utilize an additional ninety (90) days for such purposes. Additional time, i.e., time in addition to the foregoing one hundred

fifty (150) days, may be authorized by the City Council. City's sole and exclusive remedy against any Person for any breach or failure of condition under this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that this Agreement shall terminate and all future tax abatements under this Agreement shall be void (it being understood that the City shall not be entitled to any repayment of tax abatements under this Agreement, except as provided in Section IX below, and it being further understood that the failure to meet a covenant set forth in Section VI.B., C. or D. for any year is not a breach and results only in the loss to the right to abatement for such year). Notwithstanding any provision in this Agreement to the contrary, neither TI nor any other Person shall be required to pay any amounts to the City under this Agreement, with the only remedy being the loss of future tax abatements.

IX. CONTINUITY OF OPERATIONS

Notwithstanding Section VI.A. above, if for any reason operations are suspended or cease at any point during the term of this Agreement, then no tax abatements under this Agreement shall be provided. Further, in the event of any cessation of operations, or abandonment of Premises by TI, all previously abated taxes are immediately due to the City.

X. EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

This Agreement shall be binding on and inure to the benefit of the Parties and all TI Affiliates, their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that TI may assign this Agreement and all of its rights hereunder to any Affiliate. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party including, but not limited to, an assignment to such Parties upon a foreclosure. Any assignment in violation of this Section X shall not affect any rebates with respect to which TI or any TI Affiliate is already entitled.

XI. NOTICE

All notices called for or required by this Agreement shall be addressed to the following, or such other Party or address as either Party designates in writing, by certified mail, postage prepaid or by hand delivery:

TI:

U.S. Property and Sales Tax Manager
Texas Instruments Incorporated
Kilby West – M/S 3998
13570 N. Central Expressway
Dallas, Texas 75243

City:

City Manager
City of Sherman
220 West Mulberry Street
P. O. Box 1106
Sherman, Texas 75091-1106

XII.
CITY COUNCIL AUTHORIZATION

This Agreement was authorized by resolution of the City Council that was approved by the affirmative vote of a majority of the City Council at its regularly scheduled City Council meeting on the ____ day of _____, 2013, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.
TI AUTHORIZATION

An authorized representative of TI entered into this Agreement.

XIV.
SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XV.
ESTOPPEL CERTIFICATE

Any Party hereto may request an estoppel certificate from another Party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of TI, shall include, but not necessarily be limited to, statements (to the actual knowledge of the Party providing such) that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the Party(ies) to receive the certificate. The City Manager for the City shall provide any such certificate on behalf of the City.

XVI.
APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be in a court located in Grayson County, Texas.

XVII.
INDEMNIFICATION

A. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, TI SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCILMEMBERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "CITY'S INDEMNIFIED PARTY") FOR,

FROM AND AGAINST ANY AND ALL LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART) TI'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify TI of any indemnified Losses or Claim for indemnified Losses in respect of which the City's Indemnified Party may be entitled to indemnification under this Section XVII. Such notice shall be given as soon as reasonably practicable after the City's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. Defense of Third Party Claims. In the event any action or proceeding shall be brought against the City's Indemnified Party by reason of any matter for which the City's Indemnified Party is indemnified hereunder, TI shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at TI's sole cost and expense, resist and defend the same with legal counsel selected by TI; provided, however, that TI shall not admit liability in any such matter on behalf of the City's Indemnified Party. TI's obligation to defend shall apply regardless of whether the City's Indemnified Party is solely or concurrently negligent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with TI and participating in the defense of any litigation by their own counsel. If TI fails to retain defense counsel within seven (7) business days after receipt of City's Indemnified Party written notice that the City's Indemnified Party is invoking its right to indemnification under this Agreement, the City's Indemnified Party shall have the right to retain defense counsel on their own behalf, and TI shall be liable for all usual and customary defense costs incurred by the City's Indemnified Party.

D. Limitation on Indemnity. The amount owing to an Indemnified Party will be the amount of the Indemnified Party's Losses net of any insurance proceeds received by the indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

XVIII. ENTIRE AGREEMENT

This Agreement constitutes the entire Tax Abatement Agreement between the Parties, supersedes any prior understanding or written or oral tax abatement agreements or representations between the Parties, and can be modified only by written instrument subscribed to by all Parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument among the City and TI relating to matters other than the abatement of real property taxes with respect to the Premises and the Qualified Facilities and business personal property located on the Premises. This Agreement may be executed in multiple counterparts (and may be delivered by telecopy, in addition to other means, with originals to follow), each of which shall be considered an original.

EXECUTED the _____ day of _____, 2013.

CITY OF SHERMAN, TEXAS

By: _____

Carolyn S. Wacker
Mayor

ATTEST:

By: _____

Linda Ashby
City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM:

By: _____

Brandon S. Shelby
City Attorney

TEXAS INSTRUMENTS INCORPORATED,
a Delaware Corporation

By: _____

Paul Fego
Vice President of Worldwide Manufacturing

MAYOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Carolyn S. Wacker, Mayor of the City of Sherman, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, a municipal corporation, that she was duly authorized to perform the same by appropriate resolution of the City Council for the City of Sherman and that she executed the same as the act of the said City for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 2013.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

TI ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Paul Fego, Vice President of Worldwide Manufacturing for Texas Instruments Incorporated, a Delaware Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me he executed the same as a duly authorized officer of such corporation, and as the act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, A.D., 2013.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

**EXHIBIT A
TO TAX ABATEMENT AGREEMENT**

Comprehensive Guidelines

[Attached]

RESOLUTION NO. 5676

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, by Resolution No. 5494, passed and approved on June 7, 2010, the City of Sherman declared its eligibility and intention to participate in the Tax Abatement Program to promote development/redevelopment in certain areas of the City and adopted Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs; and

WHEREAS, the City of Sherman is required to renew the guidelines and criteria adopted for this program every two years;

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

SECTION 1. That the City Council of the City of Sherman, Texas, hereby renews the following Tax Abatement Guidelines and Criteria for use in all Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED TAX ABATEMENT GUIDELINES AND CRITERIA**

1. A tax abatement agreement must be reasonably likely to contribute to the retention or expansion of primary employment or to attract a primary employer to make a major capital investment that will benefit the City of Sherman's economic development. Primary employers are those companies whose sales, service and shipments are ultimately used in statewide, national or international markets.
2. A tax abatement agreement will not be entered into where a company is only changing its location within Grayson County, without increasing the number of employees, significantly expanding the facilities, or unless failure to grant such abatement would mean the loss of the business operation in Grayson County.
3. Tax abatement agreements will be considered for both new facilities and structures and for the expansion or modernization of existing facilities and structures.
4. The City Council of the City of Sherman will approve or deny a tax abatement request based upon the subjective evaluation of the following guidelines and criteria. The Council may consider any advisory recommendations received from the Tax Reinvestment Advisory Committee as it may choose:

- Employment Impact

How many jobs will be created by this project?

How many current jobs will be retained by this project?

What types of jobs will be created or retained?

What will the annual total payroll of the created and/or retained jobs be, in current dollars and projected for each of the next five years?

- Fiscal Impact

How much real and personal property will be added to the tax rolls, for each tax year covered by the abatement agreement?

What is the economic life to the additional property?

What effect will this project have on existing businesses or facilities?

What is the total budget for this project, projected for each year covered by the abatement agreement?

What capital expenditures will the project require of the City of Sherman?

- Community Impact

What effect would the project have on the local housing market?

Is the project compatible with existing long-range or comprehensive plans?

What is the environmental impact of the project?

SECTION 2. That these Renewed Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

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 4th day of June, 2012.

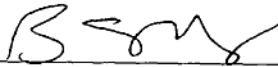
CITY OF SHERMAN, TEXAS

BY: 
BILL MAGERS, MAYOR

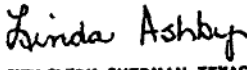
ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: 
BRANDON S. SHELBY,
CITY ATTORNEY

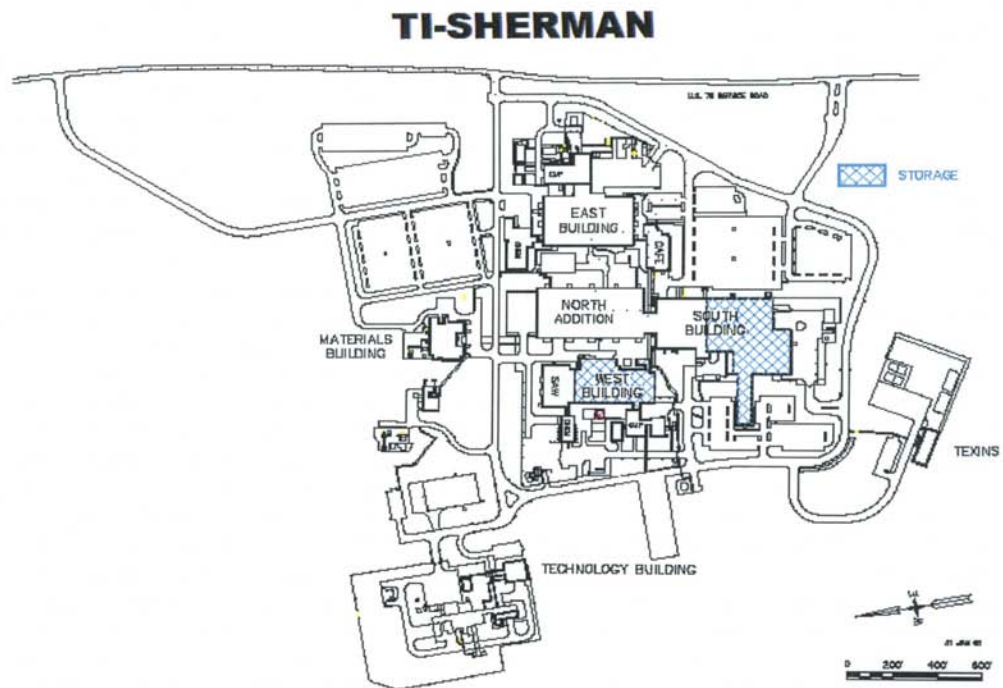
CERTIFIED COPY - DOCUMENT
THIS IS CERTIFIED TO BE A TRUE COPY
OF THE PERMANENT RECORD AS FILED IN
THE OFFICE OF THE CITY CLERK.


CITY CLERK, SHERMAN, TEXAS

ISSUED: 2/6/13

**EXHIBIT B
TO TAX ABATEMENT AGREEMENT**

The Premises



Field Notes

Legal Description

SITUATED in Grayson County, Texas in the City of Sherman, the William Martin Survey, Abstract No. 765, the John Chronister Survey, Abstract No. 248 and the S. Dunman Survey, Abstract No. 329 and being part of two (2) tracts more particularly referenced as follows:

1. Part of a called 5.450 acre tract of land conveyed to Texas Instruments Inc. from D.C. Enloe et al. by deed filed September 28, 1965 and recorded in volume 1038, page 49 of the Deed Records of Grayson County.
2. Part of a called 470.340 acre tract of land conveyed to Texas Instruments Inc. from Joe Hilburn and wife Johnnie V. Hilburn by deed filed September 1, 1965 and recorded in volume 1036, page 247 of the Deed Records of Grayson County, Texas.

Said part of two tracts being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod in the curve of the West right-of-way of U.S. Highway 75 and in the East line of said 5.450 acre tract, said iron rod bears N 3° 10' 31" E 11.09 feet from the Southeast corner of the 5.450 acre tract, said iron rod also bears S 86° 52' 56" E 5530.00 feet from the center of said curve;

THENCE: With the curve of the West right-of-way of U.S. 75 and the East line of the 5.450 acres and 470.340 acres tracts through an arc length of 785.29 feet to a 1/2 inch iron rod at the point of tangency, said curve having a central angle of 8° 08' 11", a radius of 5530.00 feet and a chord bearing and distance of S 7° 11' 10" W 784.63 feet;

THENCE: S 11° 15' 15" W 2772.22 feet with the West right-of-way of U.S. 75 and the East line of the 470.340 acre tract to a 1/2 inch

iron rod for corner from which a right-of-way marker bears N 11° 15' 15" E 151.00 feet and from which the most Easterly Southeast corner of the 470.340 acre tract bears S 11° 15' 15" W 661.92 feet;

THENCE: Across said 470.340 acre tract as follows:

S 76° 15' 10" W 1378.36 feet to a 1/2 iron rod;
N 59° 39' 46" W 817.23 feet to a 1/2 iron rod;
N 0° 21' 35" W 1139.66 feet to a 1/2 iron rod;
N 27° 07' 26" E 739.59 feet to a 1/2 iron rod;
S 89° 14' 11" E 277.52 feet to a 1/2 iron rod;
N 0° 38' 45" E 311.12 feet to a 1/2 iron rod;
S 83° 58' 11" E 194.32 feet to a 1/2 iron rod;
N 9° 41' 33" E 206.44 feet to a 1/2 iron rod;
S 89° 54' 09" E 982.17 feet to a 1/2 iron rod;
N 0° 44' 03" E 462.12 feet to a 1/2 iron rod;

THENCE: N 42° 21' 28" E 918.42 feet across the 470.340 acre and 5.450 acre tracts to a 1/2 inch iron rod for corner;

THENCE: S 86° 19' 00" E 237.95 feet across said 5.450 acre tract to the POINT OF BEGINNING and containing 136.869 acres of land more or less.

EXECUTION OF AGREEMENT

TAX REINVESTMENT ZONE INDUSTRIAL APPLICATION

SECTION I

1. Property Owner:
Texas Instruments, Incorporated

Mailing Address:
6412 Hwy 75 South, Sherman, TX 75091

Telephone Number:
(903) 868-7400

2. Property Owner's Representative:
Kathi McCoy

Mailing Address:
**Kilby West – M/S 3998
Texas Instruments, Incorporated
13570 N. Central Expressway
Dallas, TX 75243**

Telephone Number:
(214) 567-3459

3. Physical Property Address:
6412 Hwy 75 South, Sherman, TX 75091

4. Property Legal Description (include as an attachment with metes and bounds).
See attached layout

5. Property is located within: City of Sherman? **Yes**
Sherman ISD? **Yes**
Grayson County? **Yes**

6. Description of Project:

The project objective is to utilize surplus space to warehouse equipment prior to installation in Sherman or other TI factories. This project will enable the Sherman TI facility to utilize vacant space and provide the Sherman taxing entities additional revenue.

Tax abatement is requested for 5 years. The tax abatement will better position the Sherman TI site vs. other storage options. Without the abatement, TI will not warehouse equipment in the Sherman facility due to the higher property tax rates than other available locations.

7. Date of projected occupation of project/initiation of operations:

Commencement Date: February 1, 2013

Termination Date: January 31, 2018

8. Terms:

- a. The tax abatement for this project is 55%.
- b. Warehoused property is defined as any Texas Instruments, Incorporated owned equipment from another TI facility or supplier.
- c. Texas Instruments, Incorporated will provide a documented update of the warehoused property on December 15th annually.
- d. TI Sherman warehoused property will be available for audit by SEDCO or the appropriate taxing entity. 72 hour prior notification of any audits is required to insure TI's U.S. Property Tax Manager will be present.
- e. Warehoused property will be moved in/out through-out the duration of this agreement. Taxes will be assessed annually for warehoused property as of November 30th.

CRITERIA

Employment Impact

How many jobs will be brought to Sherman?

No additional jobs will be added.

What types of jobs will be created?

N/A

What will the total annual payroll be? Include current and increase factors.

N/A

Fiscal Impact

How much real and personal property value will be added to the tax rolls?

\$10M-\$300M investment

What is the economic life of the personal property?

Tax abatement is requested for 5 years. Equipment economic life is 4-6 years*.

***The project objective is to utilize surplus space to warehouse equipment prior to installation in Sherman or other TI factories. The tax abatement will better position the Sherman TI site vs. other storage options. Without the abatement, TI will not warehouse equipment in the Sherman facility due to the higher equipment tax rates.**

How much direct sales tax will be generated?

None

How will this project affect existing businesses and/or office facilities?

This project will enable the Sherman TI facility to utilize vacant space and provide the Sherman taxing entities additional revenue.

What infrastructure construction would be required?

None

What is the total annual operating budget of this facility projected to be? (For expansion state current and projected increase).

N/A

Community Impact

What effect would the project have on the local housing market?

No change related to this project

How compatible is the project with the city's Comprehensive Plan?

No impact

What environmental impact, if any, will be created by the project?

No impact from this project



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **D. 2.**

Meeting Date: 04/15/2013

Prepared By: Clay Barnett, City Engineer

Approved By: George Olson, City Manager

Caption:

RESOLUTION NO. 5761

Authorizing Execution of an Advance Funding Agreement between the City of Sherman and the State of Texas, Acting By and Through the Texas Department of Transportation, for Voluntary Local Government Contributions to Transportation Improvement Projects with No Required Match (Reconstruction of the Northbound Frontage Road of US 75 at Loy Lake)

Issue:

To execute an Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) for raising the US 75 Northbound frontage road at the intersection of Loy Lake Road

Background:

At the request of the City of Sherman, the Sherman-Denison Metropolitan Planning Organization included in their Transportation Improvement Program a project to widen the existing Loy Lake Bridge. The request was made in order to alleviate traffic congestion in this area. Recently, the City of Sherman was approached by representatives from United Commercial Realty (UCR) about the possibility of raising the intersection on the east side. The benefits of this proposal include:

- Elimination of the existing failing retaining walls in the area around the intersection;
- Raising the southeast end of the approach to the bridge, which will decrease the slope thus improving visibility and safety during inclement weather;
- Removal of the entrance ramp into the Sherman Commons development, which is in close proximity to the intersection;
- An expansion of Loy Lake Road with a median that will alleviate the ongoing backups that are occurring at the bridge during peak retail shopping times and improve traffic flow at the intersection; and
- Increased visibility and access for one of Sherman's premier retail shopping destinations.

UCR has agreed to contribute \$1.3 million to the improvements. Because TxDOT cannot enter into a contract with a private entity, an AFA is needed between TxDOT and the City of Sherman to provide the funds to TxDOT.

Origination:

Engineering

Financial Consideration:

Funds in the amount of \$1,300,000 are anticipated to be received from UCR to cover the payment provision requirement of the AFA. A separate letter agreement with UCR has been developed to line out these financial arrangements.

Staff Recommendation:

Execute the Advance Funding Agreement with TxDOT

Alternatives:

Those as may be directed by the City Council

Attachments

Resolution No. 5761

AFA with TxDOT

Location Map

RESOLUTION NO. 5761

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ADVANCE FUNDING AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR VOLUNTARY LOCAL GOVERNMENT CONTRIBUTIONS TO TRANSPORTATION IMPROVEMENT PROJECTS WITH NO REQUIRED MATCH (RECONSTRUCTION OF THE NORTHBOUND FRONTAGE ROAD OF US 75 AT LOY LAKE); 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 and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute an Advance Funding Agreement between the City of Sherman and the State of Texas, acting by and through the Texas Department of Transportation, for the reconstruction of the northbound frontage road of US 75 at Loy Lake, in accordance with the contract documents 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 _____, 2013.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

BY: _____
CAROLYN S. WACKER,
MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

STATE OF TEXAS §
COUNTY OF TRAVIS §

**ADVANCE FUNDING AGREEMENT FOR VOLUNTARY
LOCAL GOVERNMENT CONTRIBUTIONS
TO TRANSPORTATION IMPROVEMENT
PROJECTS WITH NO REQUIRED MATCH**

THIS AGREEMENT is made by and between the State of Texas, acting by and through the Texas Department of Transportation, called the "State", and the City of Sherman, acting by and through its duly authorized officials, called the "Local Government."

WITNESSETH

WHEREAS, Transportation Code, Chapters 201, 221, and 361, authorize the State to lay out, construct, maintain, and operate a system of streets, roads, and highways that comprise the State Highway System; and,

WHEREAS, Government Code, Chapter 791, and Transportation Code, §201.209 and Chapter 221, authorize the State to contract with municipalities and political subdivisions; and,

WHEREAS, Commission Minute Order Number 113319 authorizes the State to undertake and complete a highway improvement generally described as intersection reconstruction as part of the overall project of widening an existing bridge at Loy Lake Road in the City of Sherman; and,

WHEREAS, the Local Government has requested that the State allow the Local Government to participate in said improvement by funding that portion of the improvement described as raising the frontage road at the intersection of Loy Lake Road and US 75 Northbound frontage road in the City of Sherman, called the "Project"; and,

WHEREAS, the State has determined that such participation is in the best interest of the citizens of the State;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, the State and the Local Government do agree as follows:

AGREEMENT

1. Time Period Covered

This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed, and the State and the Local Government will consider it to be in full force and effect until the Project described in this agreement has been completed and accepted by all parties or unless terminated, as provided for by this agreement.

2. Project Funding and Work Responsibilities

A. The State will authorize the performance of only those Project items of work which the Local Government has requested and has agreed to pay for as described in Attachment A, Payment Provision and Work Responsibilities which is attached to and made a part of this

contract. In addition to identifying those items of work paid for by payments to the State, Attachment A, Payment Provision and Work Responsibilities, also specifies those Project items of work that are the responsibility of the Local Government and will be carried out and completed by the Local Government, at no cost to the State.

- B. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction costs.
- C. In the event that the State determines that additional funding by the Local Government is required at any time during the Project, the State will notify the Local Government in writing. The Local Government shall make payment to the State within thirty (30) days from receipt of the State's written notification.
- D. Whenever funds are paid by the Local Government to the State under this agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation Trust Fund." The check or warrant shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied by the State to the Project. If, after final Project accounting, excess funds remain in the escrow account, those funds may be applied by the State to the Local Government's contractual obligations to the State under another advance funding agreement with approval by appropriate personnel of the Local Government.

3. Right of Access

If the Local Government is the owner of any part of the Project site, the Local Government shall permit the State or its authorized representative access to the site to perform any activities required to execute the work.

4. Adjustments Outside the Project Site

The Local Government will provide for all necessary right of way and utility adjustments needed for performance of the work on sites not owned or to be acquired by the State.

5. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

6. Document and Information Exchange

The Local Government agrees to electronically deliver to the State all general notes, specifications, contract provision requirements and related documentation in a Microsoft® Word or similar document. If requested by the State, the Local Government will use the State's document template. The Local Government shall also provide a detailed construction time estimate including types of activities and month in the format required by the State. This requirement applies whether the local government creates the documents with its own forces or by hiring a consultant or professional provider. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

7. Interest

The State will not pay interest on funds provided by the Local Government. Funds provided by the Local Government will be deposited into, and retained in, the State Treasury.

8. Inspection and Conduct of Work

Unless otherwise specifically stated in Attachment A, Payment Provision and Work Responsibilities, to this contract, the State will supervise and inspect all work performed hereunder and provide such engineering inspection and testing services as may be required to ensure that the Project is accomplished in accordance with the approved plans and specifications. All correspondence and instructions to the contractor performing the work will be the sole responsibility of the State. Unless otherwise specifically stated in Attachment A to this contract, all work will be performed in accordance with the Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges adopted by the State and incorporated in this agreement by reference, or special specifications approved by the State.

9. Increased Costs

- A.** In the event it is determined that the funding provided by the Local Government will be insufficient to cover the State's cost for performance of the Local Government's requested work, the Local Government will pay to the State the additional funds necessary to cover the anticipated additional cost. The State shall send the Local Government a written notification stating the amount of additional funding needed and stating the reasons for the needed additional funds. The Local Government shall pay the funds to the State within thirty (30) days of the written notification, unless otherwise agreed to by all parties to this agreement. If the Local Government cannot pay the additional funds, this contract shall be mutually terminated in accordance with Article 11 – Termination. If this is a fixed price agreement as specified in Attachment A, Payment Provision and Work Responsibilities, this provision shall only apply in the event changed site conditions are discovered or as mutually agreed upon by the State and the Local Government.
- B.** If any existing or future local ordinances, commissioners court orders, rules, policies, or other directives, including but not limited to outdoor advertising billboards and storm water drainage facility requirements, are more restrictive than State or Federal Regulations, or if any other locally proposed changes, including but not limited to plats or replats, result in increased costs, then any increased costs associated with the ordinances or changes will be paid by the Local Government. The cost of providing right of way acquired by the State shall mean the total expenses in acquiring the property interests either through negotiations or eminent domain proceedings, including but not limited to expenses related to relocation, removal, and adjustment of eligible utilities.

10. Maintenance

Upon completion of the Project, the State will assume responsibility for the maintenance of the completed Project unless otherwise specified in Attachment A to this agreement.

11. Termination

- A.** This agreement may be terminated in the following manner:
1. By mutual written agreement and consent of both parties;
 2. By either party upon the failure of the other party to fulfill the obligations set forth in this agreement; or

3. By the State if it determines that the performance of the Project is not in the best interest of the State.
- B.** If the agreement is terminated in accordance with the above provisions, the Local Government will be responsible for the payment of Project costs incurred by the State on behalf of the Local Government up to the time of termination.
- C.** Upon completion of the Project, the State will perform an audit of the Project costs. Any funds due to the Local Government, the State, or the Federal Government will be promptly paid by the owing party.

12. Notices

All notices to either party by the other required under this agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid or sent by electronic mail, (electronic notice being permitted to the extent permitted by law but only after a separate written consent of the parties), addressed to such party at the following addresses:

Local Government:	State:
Mayor City of Sherman 220 W. Mulberry Street Sherman, Texas 75090	Director of Contract Services Office Texas Department of Transportation 125 E. 11 th Street Austin, Texas 78701

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided in this agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

13. Sole Agreement

In the event the terms of the agreement are in conflict with the provisions of any other existing agreements between the Local Government and the State, the latest agreement shall take precedence over the other agreements in matters related to the Project.

14. Successors and Assigns

The State and the Local Government each binds itself, its successors, executors, assigns, and administrators to the other party to this agreement and to the successors, executors, assigns, and administrators of such other party in respect to all covenants of this agreement.

15. Amendments

By mutual written consent of the parties, this agreement may be amended prior to its expiration.

16. State Auditor

The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the

legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

17. Insurance

If this agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately and the State may recover damages and all costs of completing the work.

18. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this agreement on behalf of the entity represented.

THIS AGREEMENT IS EXECUTED by the State and the Local Government in duplicate.

THE LOCAL GOVERNMENT

Signature

Typed or Printed Name

Mayor
Title

Date

THE STATE OF TEXAS

District Engineer

Date

CSJ #0047-18-068
District # 01-Paris
Code Chart 64 #39200
Project: US 75 @ Loy Lake Road

ATTACHMENT A
PAYMENT PROVISION AND WORK RESPONSIBILITIES

The Local Government is funding the portion of the project that consists of raising the frontage road at the intersection of Loy Lake Road and US 75 Northbound frontage road in the City of Sherman.
Payment by the Local Government of \$1,300,000.00 shall be made sixty (60) days prior to construction.





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **D. 3.**

Meeting Date: 04/15/2013

Prepared By: Mark Gibson, Director of Engineering & Utilities

Approved By: George Olson, City Manager

Caption:

*** RESOLUTION NO. 5762**

Authorizing Execution of an Encroachment Easement to Saxton Sherman, LLC for the Placement of Four Light Poles over a Sanitary Sewer Easement and Two Utility Easements on Lot 1-R, Block "C" of the Sherman Commons Addition within the City of Sherman

Issue:

To consider granting an encroachment in the easements located on Lot 1-R, Block "C" of the Sherman Commons Addition

Background:

The owner of the property proposes to place four light poles which would encroach into existing easements. The City has utilities in the referenced easement.

Origination:

Saxton Sherman, LLC (Kelly Gene Saxton)

Financial Consideration:

None

Staff Recommendation:

The staff has no objections to the proposed encroachment and recommends approval.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 5762

Encroachment Easement

Exhibit

Request Letter

Location Map

RESOLUTION NO. 5762

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO SAXTON SHERMAN, LLC FOR THE PLACEMENT OF FOUR LIGHT POLES OVER A SANITARY SEWER EASEMENT AND TWO UTILITY EASEMENTS ON LOT 1-R, BLOCK "C" OF THE SHERMAN COMMONS ADDITION WITHIN THE CITY OF SHERMAN; 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 and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute an encroachment easement to Saxton Sherman, LLC in substantially the same form as presented at this meeting, for the placement of four light poles over a Sanitary Sewer Easement and two Utility Easements on Lot 1-R, Block "C" of the Sherman Commons Addition, in accordance with the encroachment easement document and location map approved by the City Engineer and the City Attorney, 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 _____, 2013.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
CAROLYN S. WACKER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

ENCROACHMENT EASEMENT

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

That the **CITY OF SHERMAN**, a municipal corporation of the State of Texas, hereinafter called "GRANTOR", in consideration of ONE DOLLAR AND NO CENTS (\$1.00) and other good and valuable consideration to it, in hand paid, hereby grants to **Saxton Sherman, LLC, a Limited Liability Company** of Dallas, Texas, hereinafter called "GRANTEE", an encroachment easement to construct 4 Light Poles within a utility easement in the Sherman Commons Addition and known as Lot 1-R, Replat of Lots One & Eight, in Block "C", as shown on the location map marked Exhibit "A", attached hereto and incorporated herein for all purposes. Said encroachment easement shall be inferior, subordinate, and subject to the GRANTOR'S rights herein.

This instrument shall be construed as conveying an encroachment easement to GRANTEE, its heirs, successors and assigns, for the limited purpose of constructing four light poles within the herein described encroachment area. As shown on the attached exhibit the encroachment will encroach into the City of Sherman Utility Easement. GRANTEE agrees that all maintenance of the light poles and related equipment shall be the responsibility of GRANTEE without cost, fees or expense to GRANTOR.

That GRANTEE shall fully and completely indemnify and hold harmless the GRANTOR from any and all damages, actions, suits, claims, demands, liabilities, executions and judgments, whether liquidated or unliquidated, absolute or contingent, direct or indirect, at law or in equity, together with attorneys fees which may occur in any manner by reason of any matter, fact, or thing arising from this conveyance and use of the area.

In the event it becomes necessary for the GRANTOR or any public utility to utilize the encroachment area for the purpose of installing new utilities, removing or repairing any public utilities located therein, GRANTEE hereby releases GRANTOR and any public utility from any and all claims for damages, costs or expenses, and shall include, but specifically not be limited to, the cost of repair, relocation, or removal of the light poles and loss of use of such area.

TO HAVE AND TO HOLD the above described encroachment easement unto the said GRANTEE, its heirs, successors and assigns, until the use of such encroachment is no longer necessary.

EXECUTED this the _____ day of _____, A.D., 2013.

CITY OF SHERMAN, TEXAS

BY: _____
GEORGE OLSON,
CITY MANAGER

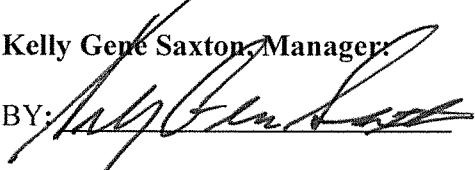
THE STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, in and for said county and state, on this day personally appeared **GEORGE OLSON**, City Manager, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Sherman, Texas, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day
of _____, A.D., 2013.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Kelly Gene Saxton, Manager:

BY: 

ADDRESS: _____

PHONE #: _____

ACKNOWLEDGEMENT

STATE OF TEXAS *
 *
COUNTY OF Dallas *

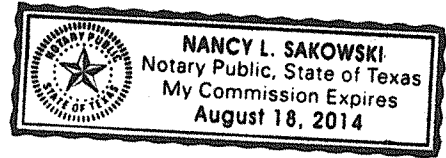
BEFORE ME, the undersigned authority, on this day personally appeared **Kelly Gene Saxton for Saxton Sherman LLC, a Limited Liability Company**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 2nd

day of April, A.D., 2013.

NOTARY SIGNATURE: Nancy L. Sakowski

COMMISSION EXPIRES: 8/18/2014



LEGEND

-  EX. PUBLIC UTILITY EASEMENTS
-  PAVEMENT REMOVAL WITHIN ESMTS.
-  EX. OR PROP. PAVED AREAS WITHIN ESMTS.
-  PROPOSED LIGHT POLES

U.S. HIGHWAY 75
NORTHBOND FRONTAGE ROAD

LOT LAKE ROAD

PROPOSED LANDSCAPE

Pavement Removal within Esmt.

PROPOSED LANDSCAPE

EXISTING RETAIL

EXISTING SEWER LINE

FF= 818.28

FF= 818.27

EX. MUTUAL ACCESS DRIVE

2.0' CL of MH to Face of Curb

2.7' Light to CL of Sewer Line

0.2' Light to CL of Sewer Line

PROPOSED PAVEMENT

Ex. Svc. Line to Be Aban.

4.1' Light to CL of Sewer Line

PROPOSED LANDSCAPE

2.0 Line to New Inlet

EXISTING PAVEMENT

Existing Curbs to be Removed

PROPOSED PAVEMENT

Pavement Removal within Esmt.

PROPOSED LANDSCAPE

2.1' Light To Esmt. Line
20' UTILITY EASEMENTS VOL. 18, PG. 114 D.R.G.C.T.

EX. MUTUAL ACCESS DRIVE



0 25' 50'

GRAPHIC SCALE
1"= 50'

McALISTER'S DELI / SHERMAN COMMONS BLOCK C ENCROACHMENT SKETCH

LOTS 1-R & 8-R, BLOCK C

CITY OF SHERMAN, GRAYSON COUNTY, TEXAS

ENGINEER
VILBIG & ASSOCIATES, P.L.L.C.
10132 Monroe Drive
Dallas, Texas 75229
(214) 352-7333
TX Eng. Firm No. F-5614

SCALE: 1"=50'

VAI No. 936-2

DATE: 18 MARCH 2013

8117 PRESTON RD
SUITE NUMBER 682
DALLAS, TX 75225

P | 214.373.3400
F | 214.373.3403

March 19, 2012

Lisa Whitfield - Engineering & Development Coordinator
City of Sherman
220 W. Mulberry
Sherman, TX 75090

RE: Sherman Commons Shopping Center
McAlister's Deli
3801 Highway 75 North

Lot 1-R, Replat of Lots One & Eight, in Block "C" of the
Amended Replat of Blocks "C" of Sherman Commons Addition,
Volume 21, Pages 197 & 198, Plat Records, Grayson County, Texas

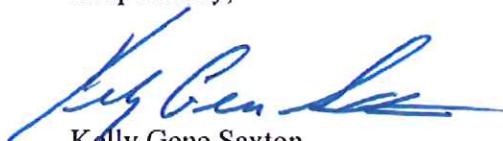
Dear Ms. Whitfield:

Saxton Sherman LLC (Kelly Gene Saxton) would like to request an encroachment agreement for 3 light poles, driveway improvements, and several parking spaces that are proposed to be built within City of Sherman easements on the above-mentioned site.

Along the north line of the site, six parking spaces and one light pole will be built within a 20' Sanitary Sewer Easement recorded in Volume 1863, Page 801, Deed Records, Grayson County, Texas (D.R.G.C.T.). An additional eighteen parking spaces and two light poles will be built along the west line of the site, where the aforementioned 20' Sanitary Sewer Easement overlaps a 30' Utility Easement recorded in Volume 18, Page 114, D.R.G.C.T. Finally, driveway improvements will be built along the south line of the site, within a 20' Utility Easement recorded in Volume 18, Page 114, D.R.G.C.T. Refer to the attached sketch.

Please let me know if you have any questions or need additional information.

Respectfully,



Kelly Gene Saxton





bing™

Image courtesy of USGS © 2013 Microsoft Corporation ImagePatch.com



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **D. 4.**

Meeting Date: 04/15/2013

Prepared By: Mark Gibson, Director of Engineering & Utilities

Approved By: George Olson, City Manager

Caption:

*** RESOLUTION NO. 5763**

Awarding a Bid to and Authorizing Execution of an Agreement with Josh Willeford for an Agricultural Lease at the Sherman Wastewater Treatment Plant

Issue:

Approving an agreement for the agricultural lease of approximately 200 acres of City property at the Wastewater Treatment Plant

Background:

The 200-acre tract adjacent to the Wastewater Treatment Plant has been leased for agricultural production for the past three years. The lease was rebid this year per contract requirements. Two (2) bidders responded to the request for bids, with Mr. Josh Willeford of Sherman being the high bidder. A bid tabulation is attached.

Origination:

Utilities Administration

Financial Consideration:

Mr. Willeford will pay the City \$8,000.00 annually for lease of the property.

Staff Recommendation:

It is recommended that the Agricultural Lease Agreement be awarded to Mr. Josh Willeford for \$8,000.00 per year and that the City Manager be authorized to execute the required contract documents.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 5763

Bid Tabulation

Willeford Ag Lease WWTP

Exhibit A

Location Map

RESOLUTION NO. 5763

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOSH WILLEFORD FOR AN AGRICULTURAL LEASE AT THE SHERMAN WASTEWATER TREATMENT PLANT; 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 Josh Willeford of Sherman, Texas, is hereby awarded the bid in the total amount of Eight Thousand Dollars and Zero Cents (\$8,000.00) per year for an agricultural lease at the Sherman Wastewater Treatment Plant and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Josh Willeford for an agricultural lease at the Sherman Wastewater Treatment Plant, in accordance with the terms and provisions of the contract documents 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 _____, 2013.

CITY OF SHERMAN, TEXAS

ATTEST

BY: _____
CAROLYN S. WACKER, MAYOR

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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

BID TABULATION

PROJECT: Agricultural Lease of the Wastewater Treatment Plant Property

OWNER: City of Sherman

BID TIME & DATE: March 28, 2013 10:00 a.m.

BID LOCATION: Engineering Department

BIDDER	TOTAL AMOUNT OF BID
JOSH WILDEFORD	\$8,000. ⁰⁰
GERALD E. RUSSELL	\$4,200. ⁰⁰

THE STATE OF TEXAS
COUNTY OF GRAYSON

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

AGRICULTURAL LEASE AGREEMENT

THIS AGREEMENT is between the **CITY OF SHERMAN, TEXAS**, a municipal corporation of the State of Texas, hereinafter called "LESSOR", and Josh Willeford hereinafter called "LESSEE".

WITNESSETH:

That the said LESSOR does by these presents lease unto LESSEE for the purpose of raising and harvesting agricultural products, 199 acres, more or less, located on the Sherman Wastewater Treatment Plant Property, located at 1800 E. F.M. 1417 depicted on Exhibit "A", attached hereto and made a part hereof for all purposes. LESSEE is and shall remain an independent contractor having the sole discretion as to how he will perform the purposes of this lease.

TERMS OF LEASEHOLD

The lease shall commence on the 15th day of May, 2013, and extend through the 14th day of May, 2014, a term of one (1) year. LESSEE may renew this lease upon the same prices, terms and conditions annually, not to exceed two (2) renewals, provided LESSOR receives written notice of intent to renew sixty (60) days prior to the expiration of the primary term hereof. Written notice for option shall be due no later than the 14th day of March, 2014. In the event LESSEE fails to notify LESSOR of his intent to exercise this option, said option shall be null and void.

LESSEE specifically covenants and agrees with LESSOR that, in the event LESSOR has an opportunity to lease all or any part of these agricultural grounds to a third party for oil/gas

exploration or production activities LESSOR may cancel this lease in whole or in part by giving to LESSEE ninety (90) days written notice that LESSOR wishes to re-enter and lease for oil/gas exploration all or any part of the property set out in Exhibit "A" attached hereto and made a part hereof by reference.

In the event LESSOR voids or nullifies any part of this lease, the rents for the portion of the property re-entered shall be prorated from the date of re-entry by LESSOR.

RENTALS AND FEES

As consideration for this lease, LESSEE covenants and agrees to pay in advance the first year; however, in all subsequent years, LESSEE agrees to pay prior to May 15th of each year, in the office of the City Manager of the City of Sherman, rentals and fees as set out below:

LESSEE agrees to pay \$8000.00 as rent per year on the total net acres in the tract as described in Exhibit "A" attached hereto and made a part hereof for all purposes.

GENERAL PROVISIONS

1. LESSEE agrees to use the premises for the sole purpose of raising and harvesting agricultural products, and specifically agrees not to graze livestock of any type or description on this property. LESSEE further agrees that these premises shall not be used for any purpose that constitutes a nuisance or may be objectionable to the use of the adjoining land.

2. LESSEE specifically agrees not to burn said grassland, or in any way allow smoke, fumes, gases, or any other substance to burn or explode on said premises.

3. LESSEE agrees and covenants that LESSEE will, at LESSEE'S own expense, make all repairs necessary to keep the land from deteriorating in value or condition, and will not break up established waterways, ditches, terraces, or undertake any other operation that will injure the leased premises. Additionally, LESSEE agrees to keep open and in good state of repair all ditches, tile

drains, grass waterways and terraces where present .

4. LESSEE specifically agrees not to assign or sublet the leased premises without the express written authority of the LESSOR.

5. LESSEE specifically grants to LESSOR the right of re-entry upon these premises at any time.

6. LESSEE agrees and covenants that, in the event of a breach by LESSEE of any of the covenants contained herein, LESSOR may, at its option, declare this lease forfeited and terminated as to the balance of the terms thereof. Upon any such declaration, forfeiture or termination of this lease by LESSOR, LESSEE agrees and covenants to give and declare immediate possession of the demised premises to the LESSOR. LESSEE agrees that, in the event of a termination or forfeiture of this lease as herein provided, LESSEE shall indemnify LESSOR for all losses or damage which LESSOR may incur or suffer during the remainder of the period of time covered by this lease, whether such loss shall be through decreased rentals or otherwise. LESSEE further agrees and covenants that LESSEE will, at the termination of this lease, peacefully deliver up to LESSOR the demised premises and appurtenances or additions thereto in as good condition and state of repair as same are now in, fair wear and tear only excepted, and vacate encumbered and in good tenantable order.

7. LESSEE agrees and covenants that LESSEE will not make or suffer any unlawful, improper, illegal or offensive use of the demised premises or any part thereof. LESSEE further agrees and covenants that he shall conform to and comply with all rules and regulations of the United States, State of Texas and codes or ordinances of the City of Sherman, or be in default of this lease.

8. LESSEE COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS,

AND DEFEND LESSOR, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS FOR PROPERTY DAMAGE OR PERSONAL INJURIES, INCLUDING DEATH, CAUSED DIRECTLY OR INDIRECTLY BY LESSEE AND NOT CAUSED BY LESSOR, TO PERSONS OR PROPERTY ARISING OUT OF OR INCIDENTAL TO THE LEASING OF OR THE USE AND OCCUPANCY OF THE PREMISES BY LESSEE, AND LESSEE HEREBY ASSUMES ALL LIABILITY AND RESPONSIBILITY FOR INJURIES, CLAIMS OR SUITS FOR DAMAGES TO PERSONS OR PROPERTY OF WHATEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, OCCURRING DURING THE TERM OF THIS LEASE BY REASON OF THE USE OR OCCUPANCY OF PREMISES BY LESSEE, ITS AGENTS, SERVANTS OR EMPLOYEES, CONTRACTORS OR SUB-CONTRACTORS. THIS INDEMNIFICATION AND HOLD HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY.

9. LESSEE FURTHER INDEMNIFIES AND HOLDS HARMLESS THE CITY OF SHERMAN AND ASSUMES ALL LIABILITY AND RESPONSIBILITY ASSOCIATED WITH THE CROPS PRODUCED AT THE SHERMAN WASTEWATER TREATMENT PLANT SITE.

10. LESSEE shall promptly, at the execution of this lease, provide proper liability insurance for personal injuries or death growing out of any one accident or other cause in a minimum sum of not less than \$1,000,000 each occurrence, \$3,000,000 General Aggregate limit insuring the LESSEE against liability arising from premises, operations, independent contractors, personal injury in accordance with insurance Requirements contained in Exhibit B. LESSEE shall maintain

said insurance with insurance underwriters licensed to do business in the State of Texas and approved by LESSOR. LESSEE shall furnish LESSOR with a certificate from the insurance carrier showing such insurance to be in full force and effect during the entire term of this lease or shall deposit with LESSOR copies of said policies. Said policies or certificates shall contain a provision that written notice of cancellation or of any material change in said policies by the insurer shall be delivered to LESSOR thirty (30) days in advance of the effective date thereof.

11. LESSEE acknowledges that it has inspected the demised premises leased herein and accepts the same in their present condition with no implied or express warranties as to their fitness.

12. LESSEE agrees and covenants that LESSOR retains the use and enjoyment of all easements of whatsoever nature in and about or in whatever manner located on the above described demised premises.

13. LESSEE acknowledges that portions of the leased property are located in the floodplain of Choctaw and Post Oak Creeks. LESSOR shall not be responsible for the removal of debris deposited by floodwaters or damage of any type resulting from the deposition of debris on the site.

14. Access to the leased property shall be exclusively by means of the main gate to the wastewater treatment plant located at 1800 E. F.M. 1417. No other access to the property shall be allowed. The LESSEE shall provide twenty-four hour notice to the wastewater treatment plant for any access to the site.

15. The LESSEE shall farm the premises in accordance with the standard agricultural practices common to Grayson County, Texas. LESSEE may apply chemicals to the premises, in accordance with good agricultural practice to promote crop production. The LESSOR through its wastewater superintendent shall approve prior to application all chemicals and the method of

application. No chemical may be applied without LESSOR approval.

16. LESSEE will not construct any buildings or sheds on the site or surrounding area.

17. Should the leased property be utilized for the production of hay, all hay bales must be removed from the site immediately following the baling operation. No storage of hay bales on the site is permitted.

TERMINATION OF SAID LEASE

1. CANCELLATION BY LESSOR. The lease shall be subject to cancellation by LESSOR in the event LESSEE shall:

- a. File a voluntary petition in bankruptcy;
- b. Abandon the demised premises;
- c. Make voluntary assignments for the benefit of creditors;
- d. Be in arrears in payment of the whole, or any part of rent thirty (30) days after the time such payments become due and payable to LESSOR;
- e. Default in the performance of any covenants and conditions required herein to be kept and performed by LESSEE, with the exception of the insurance liability provision, and such default continues for a period of thirty (30) days after receipt of written notice by LESSEE from LESSOR of said default. As to the insurance provision, LESSEE shall have seven (7) days in which to correct any default.

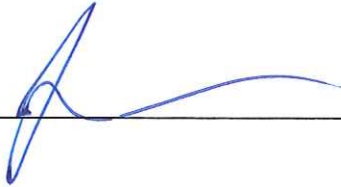
Failure of LESSOR to declare this lease terminated upon the default of LESSEE for any of the reasons set out shall not operate to bar or destroy the right of the LESSOR to cancel this lease by reason of any subsequent violations of the terms hereunder.

All the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands at Sherman, Grayson County, Texas, this the _____ day of _____, 2013.

LESSEE:

BY:



APPROVED:



BRANDON S. SHELBY
CITY ATTORNEY

LESSOR:

CITY OF SHERMAN, TEXAS

BY:

GEORGE OLSON,
CITY MANAGER
220 W. MULBERRY
SHERMAN, TX 75090

ATTEST:

BY:

LINDA ASHBY,
CITY CLERK

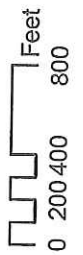
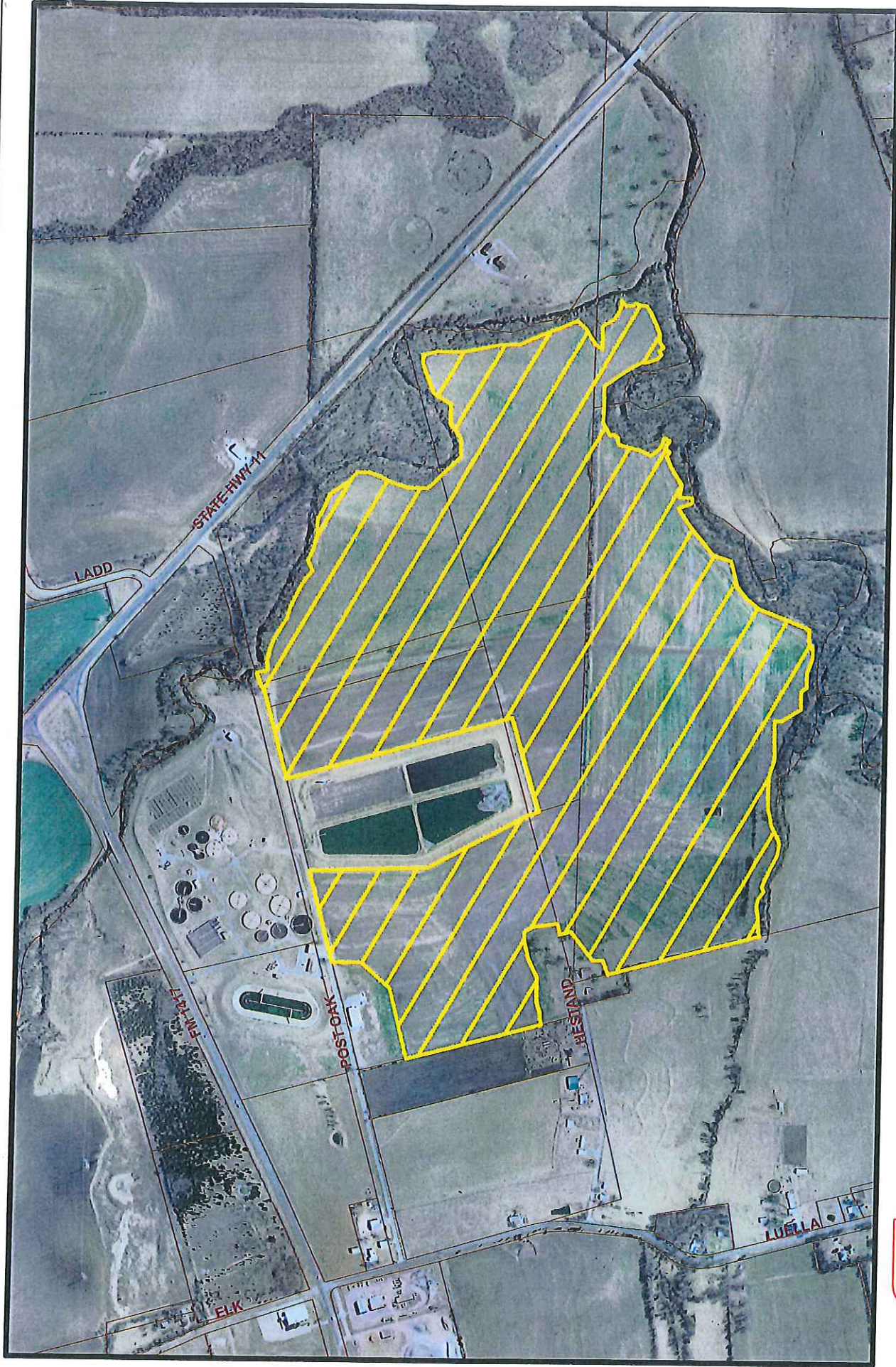
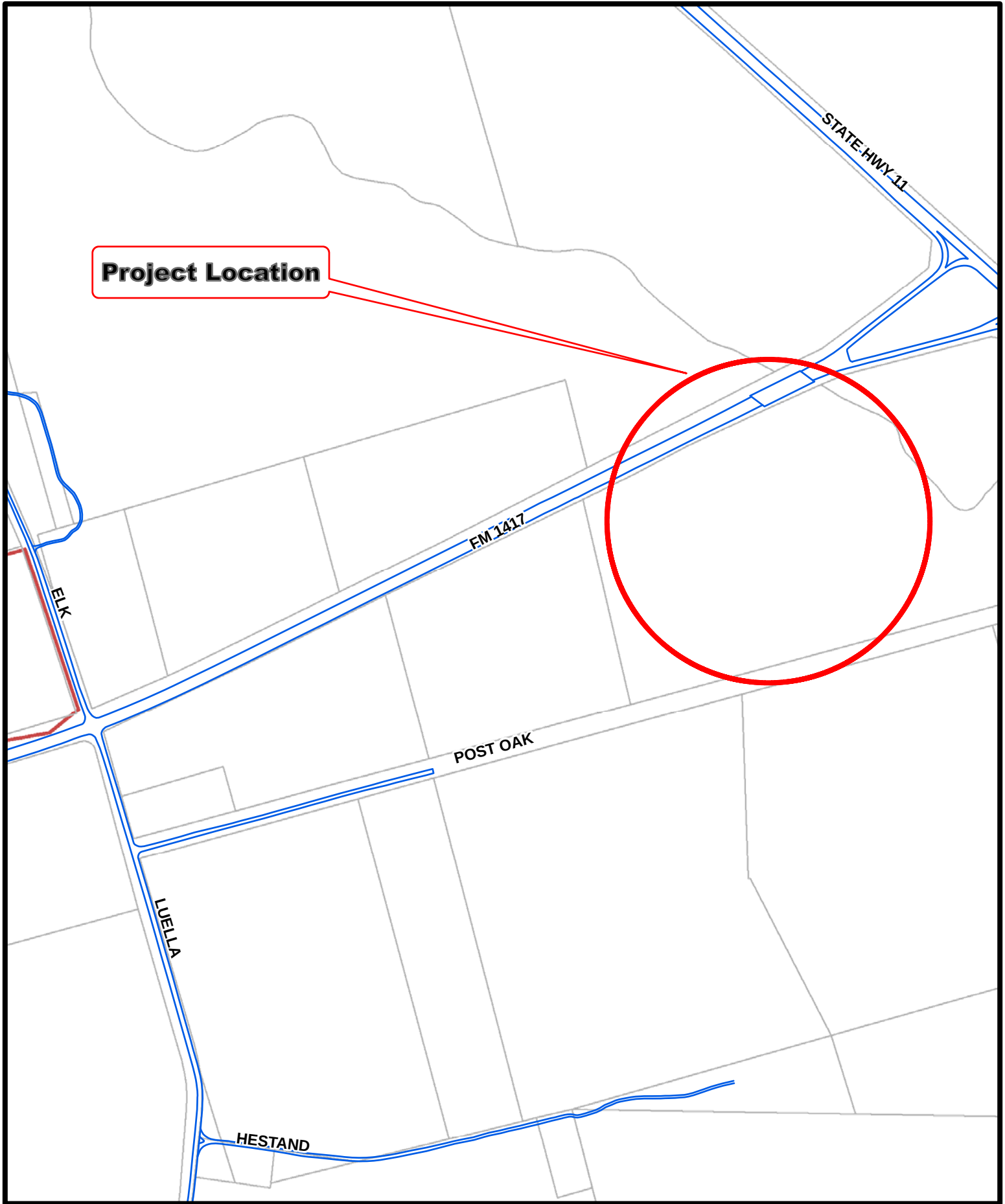


EXHIBIT A
AGRICULTURAL LEASE AREA
WASTEWATER TREATMENT PLANT



City of Sherman, Texas
Engineering Department



Project Location

STATE HWY 11

FM 1417

POST OAK

LUELLA

HESTAND

ELK



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **D. 5.**

Meeting Date: 04/15/2013

Prepared By: Robby Hefton, Assistant City Manager/CFO

Approved By: George Olson, City Manager

Caption:

RESOLUTION NO. 5764

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

Issue:

This resolution shows the intent of the City Council to participate in residential tax abatements in a targeted area within the city.

Background:

Pursuant to the provisions of Chapter 312, Section 312.002, Tax Code, Vernon's Texas Codes Annotated, the City of Sherman is required to pass such a resolution every two (2) years in order to keep this program active. The goal of the program is to spur re-development in the older sections of the community. Building within this area uses existing streets, water mains and sewer mains, rather than extending them on the outskirts of the city. It also tends to minimize the area that must be covered by police officers, street maintenance crews, and other City employees.

The City Council granted seven residential tax abatements in year 2011 and four residential tax abatements in 2012.

Origination:

City Manager's Office

Financial Consideration:

There is no direct cost to approving this resolution. Costs would vary as residential tax abatements are actually granted. In 2011 and 2012 combined, abatements have been granted on new construction and improvements with an estimated value of \$827,000 for a total of approximately \$2,640.40 in abated taxes. This was partially off-set by \$825 in application fees.

Staff Recommendation:

The staff recommends approval of this resolution.

Alternatives:

The City Council could revise the terms of the abatements that are granted, or it could discontinue the program completely.

Attachments

Resolution No. 5764

Map of Residential Tax Abatement Zone

RESOLUTION NO. 5764

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, 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; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, desires to promote the development/redevelopment of certain contiguous geographic areas within its jurisdiction; and

WHEREAS, the City of Sherman, Texas, is authorized to enter into Tax Abatement Agreements for commercial-industrial or residential purposes as authorized by Chapter 312 of the Texas Property Tax Code (Code); and

WHEREAS, Section 312.002 of the Code requires the City of Sherman, Texas, to establish guidelines and create criteria every two years for the designation of reinvestment zones and the entering into Residential Tax Abatement Agreements;

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

SECTION 1. That the City of Sherman, Texas, declares it is eligible for and intends to participate in a Residential Tax Abatement Program.

SECTION 2. That the City of Sherman, Texas, hereby adopts the following Guidelines and Criteria for Tax Abatement for use in its Residential Tax Abatement Program:

CITY OF SHERMAN RESIDENTIAL TAX ABATEMENT GUIDELINES AND CRITERIA

GENERAL PURPOSE AND OBJECTIVES

The City of Sherman is committed to an expansion of its tax base, an increase to its population, the promotion of development in all parts of the City, and to an ongoing improvement in the quality of life for its citizens. As these objectives are generally served by the enhancement and expansion of the local economy, the City of Sherman will offer residential tax abatement as a stimulus for economic development in Sherman. The policy of the City of Sherman is to make residential tax abatement available to new structures and to the modernization of existing structures. Likewise, residential tax abatement is intended for residential structures built upon vacant lots within existing subdivisions as well as within new subdivisions of the City. It is the policy of the City of Sherman that such tax abatement will be

provided in accordance with the procedures and criteria outlined in this document and as permitted by State statute. The guidelines and criteria herein adopted shall expire two (2) years from and after adoption. The provisions herein are severable, and if any provision or requirement of these guidelines or criteria is declared or found to be illegal or invalid, such illegality or invalidity shall not affect the remaining provisions, since the City Council would have adopted these guidelines and criteria without the incorporation of the portions found to be invalid.

DEFINITION OF TERMS

Act — means the Property Redevelopment and Tax Abatement Act, Texas Tax Code Ann. 312.001, et seq., as amended from time to time.

Agreement — means a contractual agreement between a property owner and the City of Sherman for the purposes of tax abatement.

Applicant — means an owner of real property who requests tax abatement in accordance with these guidelines.

Base Year Value — means the assessed value of eligible property on January 1 preceding the date of execution of the agreement.

Economic Life — means the number of years a property improvement is expected to be in service.

Modernization — means the replacement, expansion and upgrading of residential improvements for purposes of reconditioning, refurbishing or expanding.

New Structure — means residential improvements made to a property previously undeveloped which is placed into use by means other than or in conjunction with expansion or modernization.

Reinvestment Zone — means a contiguous geographic area in the jurisdiction of the municipality in which tax abatements may be granted to promote residential development or redevelopment if the governing body determines that residential development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.

Residential Improvements — means the construction of residential building(s), and all the appurtenances thereto, single-family in purpose, and includes modernization and new structures. This does not include duplexes or multi-family structures.

Total Facility — means all buildings and structures along with the appurtenances thereto.

ELIGIBILITY

All residentially zoned property is eligible for designation as a Reinvestment Zone. A new structure or modernization of a structure anywhere within the corporate limits of a value in

excess of \$15,000.00 may receive abatement. As provided in the Act, abatement may only be granted for the value of eligible property subsequent to and listed in an abatement agreement between the City of Sherman and the property owner. Abatement will be granted for residential improvements only.

Eligible Property — Abatement will be extended to the increased value of real estate, buildings, structures, and site improvements along with the appurtenances thereto for properties which are single-family in purpose. This does not include duplexes or multi-family structures.

Value and Term of Abatement — Upon determination that all requirements for tax abatement have been satisfied by the applicant, the value and terms of the abatement will be for a period of ten (10) years in accordance with the following schedule for the abatement of taxes on the added value above the base year value. Abatement shall be granted effective with the January 1 valuation date immediately following the date of completion of the improvements.

SCHEDULE OF TAXES ASSESSED

<u>TAX YEAR</u>	<u>ABATEMENT</u>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	80%
8	60%
9	40%
10	20%

CRITERIA

Any request for tax abatement shall be reviewed for completeness. The City staff shall determine whether the application satisfies the guidelines and criteria. Tax abatement shall be based upon an evaluation of the following criteria which each applicant will be requested to address in narrative format:

Fiscal Impact

Addition of real property improvements to the tax rolls.

No utility construction by the City would be required other than routine.

Community Impact

The project is compatible with the City's comprehensive plan.

No adverse environmental impact will be created by the project.

PROCEDURES

Any person, partnership, organization, corporation or other entity desiring that the City of Sherman consider providing tax abatement to encourage location of residential improvements within the City limits of Sherman shall be required to comply with the following procedural guidelines:

1. Preliminary Application Steps

A. Applicant shall submit an "Application for Tax Abatement" contemporaneously with the application for a building permit, and shall pay a filing fee of \$75.00 to cover publication, notice cost, review and processing. If the applicant for the building permit is not the owner of the real estate and does not make application for residential tax abatement on behalf of the owner, the City staff shall notify the owner by certified mail, return receipt requested, that residential tax abatement must be filed with the City within ten (10) business days of receipt of the notice.

B. If the applicant does not wish to apply for residential tax abatement at the time that the building permit is issued, or if the owner fails to respond to the written notice of availability for residential tax abatement, the opportunity for residential tax abatement is waived. The staff shall prepare forms necessary to reflect the refusal of an applicant to participate and to document the lack of response by the owner to the written notice. The refusal or waiver to participate in residential tax abatement by the owner or applicant shall be binding on subsequent owners of the real property.

C. The City may request applicant to provide substantiation of economic feasibility of the overall project to assist in determining the long-term benefit to the City.

D. A complete legal description shall be provided.

E. Applicant shall complete all forms and information detailed above and submit them to the City of Sherman.

2. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.

If necessary, applicant will meet with City to discuss details of the application and prepare for presentation of application to the City Council.

3. The application shall include the total capital investment for real property improvements and type of project.

LEGAL DOCUMENTATION PREPARATION

The City will be responsible for drafting the proposed agreement pursuant to the approved Tax Abatement, as well as all associated documentation.

The legal document is to include the following:

1. Estimated value of modernization or new construction to be abated.
2. Percent of value to be abated each year.
3. Commencement date and the termination date of abatement.
4. Proposed use of the facility, nature of construction, time schedule, map, property description and improvements list as provided in the application.
5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture and administration.

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 _____, 2013.

CITY OF SHERMAN, TEXAS

BY: _____
CAROLYN S. WACKER, MAYOR

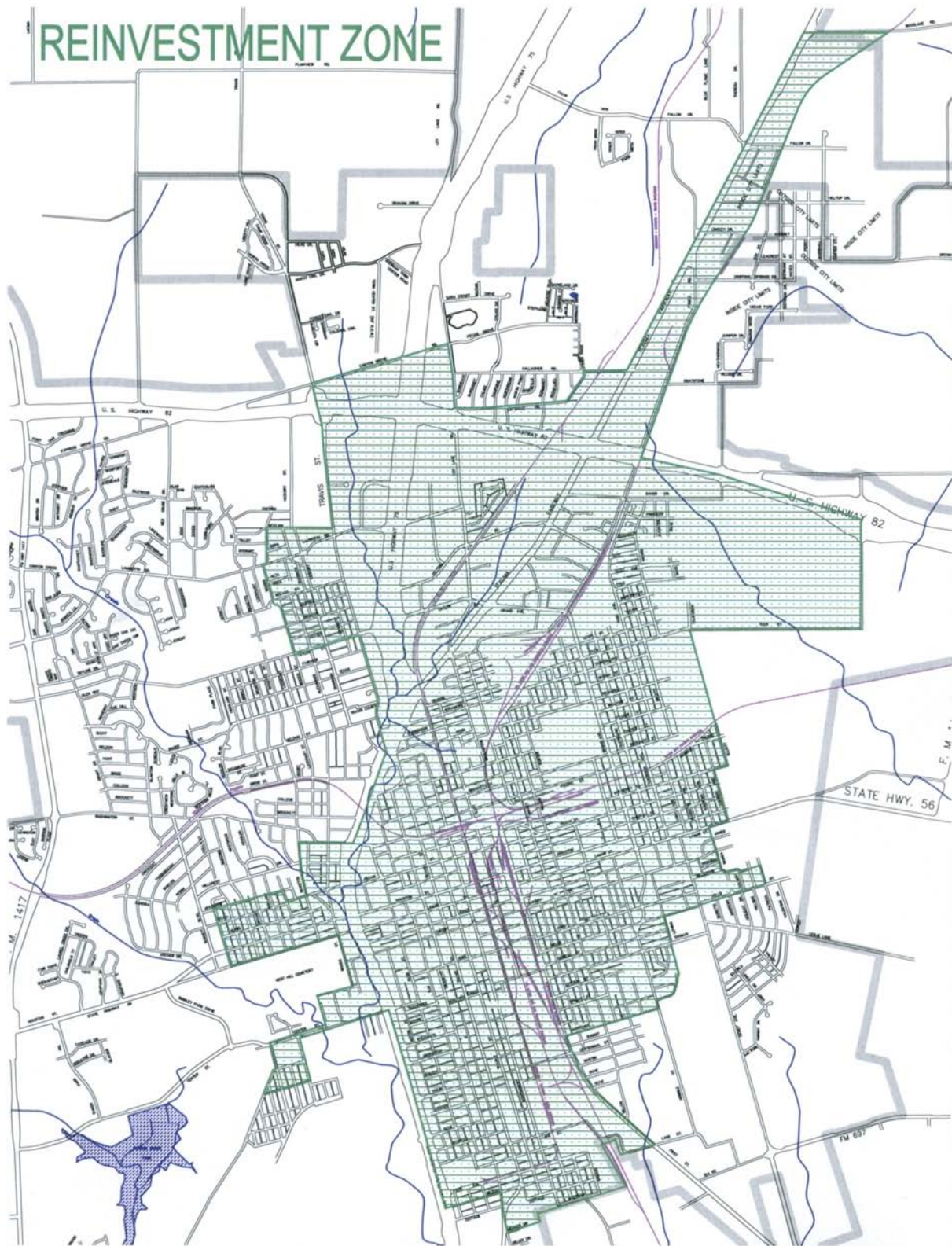
ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

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

Residential Reinvestment Zone, Number 041811-1, City of Sherman, Texas





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **E. 1.**

Meeting Date: 04/15/2013

Approved By: George Olson, City Manager

Caption:

OTHER BUSINESS

Receive Quarterly Progress Report from Sherman Economic Development Corporation Board Chairman Dean Gilbert, Jr. and SEDCO President Scott Connell

Issue:

To receive the Sherman Economic Development Corporation (SEDCO) quarterly progress report from Board Chairman Dean Gilbert, Jr. and President Scott Connell

Background:

The brief presentation by the SEDCO Board Chairman and President will provide the City Council with an overview of SEDCO's activities and accomplishments during the last three (3) months. SEDCO's last update was presented at the City Council's regular meeting of January 7, 2013.

Origination:

City Council

Financial Consideration:

There is no financial impact to consider.

Staff Recommendation:

The presentation is for informational purposes only; and no action is required of the City Council.

Alternatives:

None

Attachments

SEDCO's Quarterly Report

REPORTING FORM FOR BOARDS AND COMMISSIONS

Name of Board: Sherman Economic Development Corporation

Name of Chairman: Dean Gilbert Jr.

Name of Vice Chairman: Chris Pendergrass

Date of Report to City Council: April 8, 2013

1. In simple terms and as briefly as possible, please describe the mission of your board.

- *The mission of the Sherman Economic Development Corporation (SEDCO) is to grow and diversify the Sherman and surrounding area economies through the addition of new jobs and investment.*

**2. Please list the top accomplishments of your board within the past quarter.
(Please limit the list to five or fewer items).**

- *SEDCO entered into an Economic Development Performance Agreement with US Aviation Group to lease additional hangar space at North Texas Regional Airport. US Aviation will spend \$150,000 on new equipment for an aircraft maintenance and avionics repair center. The company will hire thirty (30) additional staff members over the next two years at a wage rate of \$20.00 per hour. The Performance Agreement provides an incentive of \$45,000 paid over the two years. A public announcement of the project was held on January 17, 2013. Subsequently, the company announced in March a new contract to train American Eagle pilots at NTRA.*
- *SEDCO entered into an Economic Development Performance Agreement with Consolidated Container for an expansion of their operations in Sherman. The plastic bottle manufacturer will invest \$1.1 million in facility expansion/renovations and new equipment. The company will hire 6 new positions over the current 70 employment base. The Performance Agreement provides an incentive of \$60,000 on completion of the project and job creation, expected in 2013.*
- *SEDCO entered into a contract with Benchmark Engineering (long time SEDCO partner) to conduct a detailed Master Plan process for Progress Park. This will include SEDCO owned properties, as well as, privately owned sites. The study will identify possible development scenarios and infrastructure investments to support the existing industry and future tenants. The Progress Park study area (3,300 acres) includes areas on the east and west sides of US 75. The Master Plan is expected to be complete late 2013.*
- *SEDCO Board of Directors approved the upgrade of railroad crossings in Progress Park. The main rail spur in the park is undergoing an upgrade and renovation to accommodate the heavy equipment for the Panda Power project. SEDCO was able to take advantage of the contractor mobilized onsite to install the Dorset Dr. crossing and include concrete panels built by Delta Crossing in Sherman. The new materials will last longer and provide smoother driving for trucks and employees in the park.*

3. What are your plans for this board in the next quarter?

- *SEDCO will continue to actively promote the Sherman area for new investment and jobs utilizing the sales tax funds to achieve success. SEDCO staff will continue to concentrate marketing on the commercial real estate community in the Dallas-Fort Worth Metroplex, as well as, national site location consultants.*

- SEDCO will manage the Master Plan process for Progress Park working with private landowners and developing an infrastructure investment plan to support existing industry and prepare for new development.
- SEDCO will work closely with companies that have announced new investments in Sherman to ensure they have the support to meet their goals including Panda Sherman Power, Presco, Eco Green Recycling, Austin College Idea Center, US Aviation Group, Consolidated Container and others.
- SEDCO will maintain close relationships with local industry through a regular Business Retention and Expansion visitation program to identify expansion opportunities and address obstacles for success.
- SEDCO will work to enhance our online presence with updates to www.sedco.org, the commercial real estate property website www.ShermanSites.com, and an e-newsletter.

4. How often did this board meet in the last quarter?

- The SEDCO Board held three regularly scheduled meetings (January 8, February 12 and March 12, 2013) and one special called meeting (January 17).

5. In what percentage of those meeting was a quorum of board members present?

- 100%

6. Did any member attend less than 75% of those meetings? If so, which member and how often did they attend.

- No

7. What other information would your board like to communicate to the City Council? (please be concise in your response).

- SEDCO certified the completion of the Sunny Delight Economic Development Performance Agreement. The company invested \$17 million in the Sherman facility.
- Project inquiries has steadily increased over the first quarter 2013 and SEDCO has submitted proposals for a several corporate expansions. Staff continue to work with many companies as they evaluate Sherman for new operations.
- SEDCO received copies of the new aerial map of Sherman. The updated version includes city limit lines, designated lines for the new Progress Park area (3,300 acres), and a new inset map that shows Sherman and Lake Texoma.
- SEDCO staff participated with Oncor Electric Delivery in a trade show booth at the Plastec West trade show in Anaheim, California. The joint event included medical device, plastic processing, packaging and electronics industries.
- SEDCO staff attended the Industrial Asset Management Council conference for corporate real estate executives in Charleston, SC. Staff extended the marketing trip to meet with a site location consultant in Columbia, SC.
- SEDCO staff participated in a Dallas-Fort Worth Marketing team trip to Los Angeles meeting with companies and commercial real estate representatives. This alliance helps expand the marketing reach for Sherman.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **E. 2.**

Meeting Date: 04/15/2013

Prepared By: Scott Shadden, Director Developmental Services

Approved By: George Olson, City Manager

Caption:

*** OTHER BUSINESS**

Replat Approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2, containing 0.59 acres; DGR Development Group Ltd and Dean Gilbert, Inc., Owners; Sartin & Associates, Inc., Surveyors (2908 and 2912 Sedalia Trail)

Issue:

To consider Replat approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2, containing 0.59 acres located at 2908 and 2912 Sedalia Trail

Background:

The property is located at 2908 and 2912 Sedalia Trail in the O'Hanlon Ranch Addition off of North FM 1417 (Heritage Parkway) in northwest Sherman. The owners would like to replat two lots into one for residential development.

Origination:

DGR Development Group Ltd and Dean Gilbert, Inc. (Owners); and Sartin & Associates, Inc. (Surveyors)

Financial Consideration:

None

Staff Recommendation:

At the March 19, 2013 regular meeting, the Planning and Zoning Board voted unanimously to recommend to the City Council that the Replat be approved.

Alternatives:

None

Attachments

Location Map

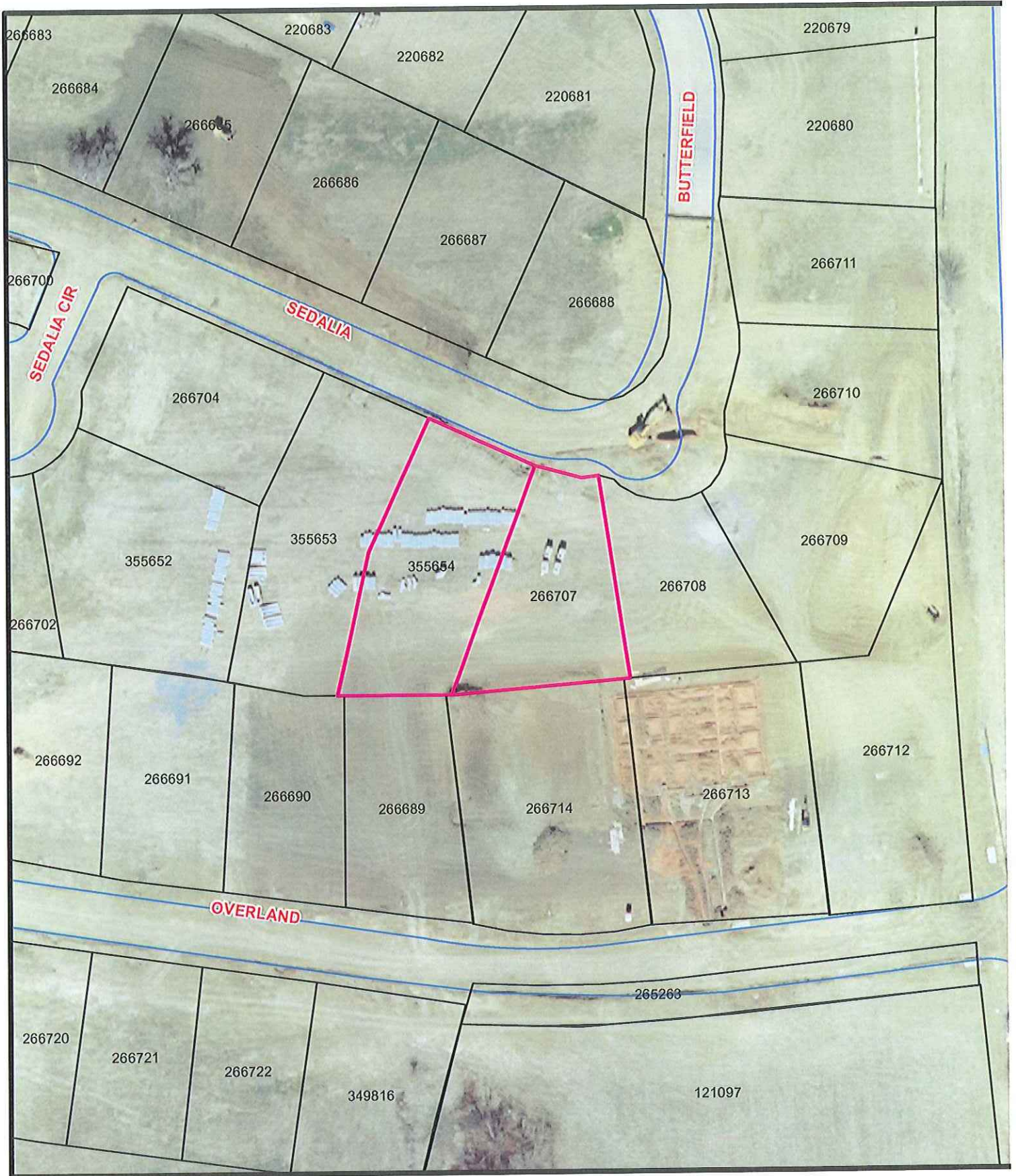
Zoning Map

Photo

Replat

P&Z Communication Form

Staff Review Letter



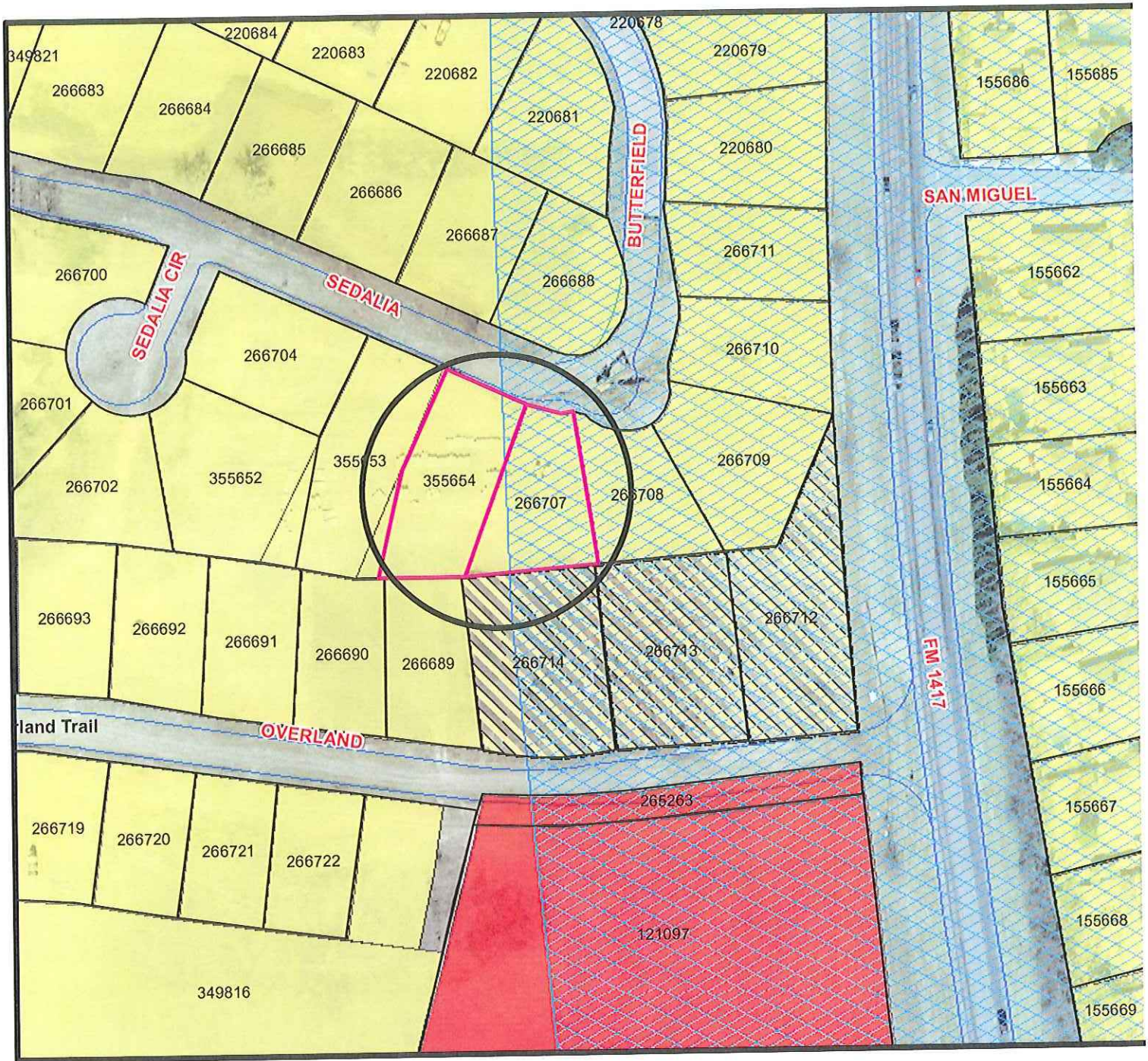
2908 & 2912 Sedalia Trail

City of Sherman, Texas
Developmental Services Department

Sherman
CLASSIC TOWN. BROAD HORIZON.



1 inch = 86 feet



Zoning - 2908 & 2912 Sedalia Trail

Legend

	O 1 HIGHWAY 75 & 82 OVERLAY DISTRICT		C-2 General Commercial District
	O 1.1 FM 1417 OVERLAY DISTRICT		M-1 Light Manufacturing District
	O 1.2 SAM RAYBURN FREEWAY OVERLAY DISTRICT		R-A Single Family Agricultural District
	C B D DOWNTOWN BUSINESS DISTRICT		SF-1 Single Family Residential District
	C P O COLLEGE PARK OVERLAY DISTRICT		M-1.5 Medium Manufacturing District
	A & C ARTS & CULTURAL OVERLAY DISTRICT		M-2 Heavy Manufacturing District
	CO Office District		MH Manufacturing Housing District
	R-1 One Family Residential District		Blaylock Commercial District
	R-2 Multi-Family Residential District		BIP Blalock Industrial Park
	C-1 Retail Business District		

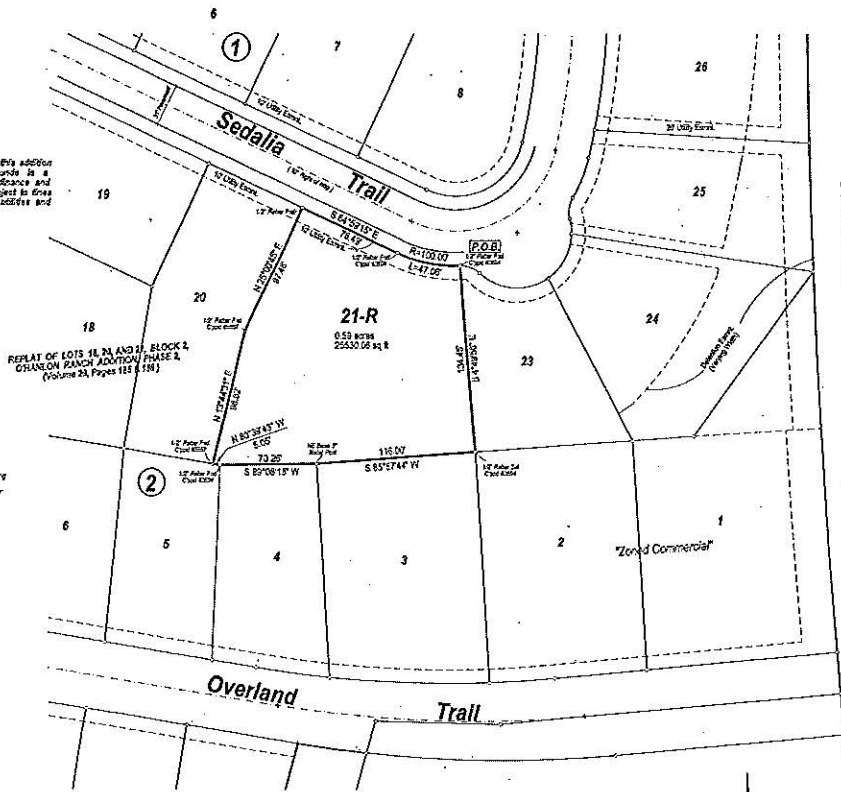


2908 & 2912 Sedalia Trail



NOTICE:
Setting a portion of this addition
by metes and bounds is a
violation of city ordinance and
state law and is subject to fines
and withholding of address and
building permits.

Survey line
Monumented by
the West End of
Highway No. 1417
right-of-way.



HERITAGE PARKWAY
(F. M. HIGHWAY NO. 1417)



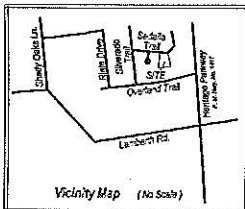
REPLAT OF

**LOT 22, BLOCK 2 of O'HANLON RANCH ADDITION, PHASE 2,
(Volume 19, Pages 81-83) and LOT 21, BLOCK 2 of the REPLAT OF
LOTS 18, 20, AND 21, BLOCK 2, O'HANLON RANCH ADDITION,
PHASE 2, (Volume 20, Pages 185 & 186)**

(0.59 Acres)

to the

**CITY of SHERMAN
GRAYSON COUNTY, TEXAS**



Owners & Developers
DGR Development Group, Ltd.
Dean Gilbert, Inc.
801 E. Taylor
Sherman, Texas 75090
Dean Gilbert, President

SARTIN & ASSOCIATES, INC.
Registered Professional Land Surveyors
100 S. Trade, P. O. Box 1141 Sherman, Texas 75091-1141
Ph: (903) 932-4003 Fax: (903) 938-2079

SHEET 1 OF 2
OHN2-FPL725-22.pdf

City of Sherman
Planning and Zoning Commission
Board of Adjustments
Agenda Communication Form
March 19, 2013
Don Hicks, Chairman

Joe Gilbert, Vice-Chairman
Brad Morgan, Commissioner
Darren Tankersley, Commissioner
Ron Barton, Commissioner

Richard Barber, Commissioner
Ryan Michael Kreck, Commissioner
Sam Thorpe, Commissioner
Ronnie Dutton, Commissioner

2908 & 2912 Sedalia Trail
Being Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat
of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2
Replat

Requested Action/Proposed Use:

Replat approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2.

Background

The owner would like to replat the two lots into one lot.

Adjacent Zoning:

R-1 (One Family Residential) District

Origination:

DGR Development Group Ltd and Dean Gilbert, Inc. (Owners) and Sartin & Associates, Inc. (Surveyors)

Master Plan Designation:

Agricultural and Rural – Typically are large parcels that are primarily used for crops or pasture land. These low density regions surrounding the City do not have significant demands on the transportation or utilities network.

Number of notices mailed: 32

Objections Received: 0

Attachments: Location map, Photographs, Replat, Staff Review Letter.

Prepared By:
Lisa Whitfield
Engineering & Development Coordinator

Approved By:
Scott Shadden,
Director of Developmental Services

**STAFF REVIEW LETTER**

March 12, 2013

DGR Development Group, Ltd.
801 E. Taylor
Sherman, TX 75090

Dear Applicants,

The request for approval of a Replat approval of Lot 22, Block 2, O'Hanlon Ranch Addition, Phase 2 and Lot 21, Block 2 of the Replat of Lots 18, 20 and 21, Block 2, O'Hanlon Ranch Addition, Phase 2 has been scheduled to be heard by the Planning and Zoning Board on the day of Tuesday, March 19, 2013 at 5:00 p.m., in the City Council Chambers, City Hall at 220 W. Mulberry.

City staff has reviewed your request with regards to engineering and development guidelines and finds the following items need to be addressed:

1. Letters from the various utility providers are required verifying availability of service.
2. Original tax certificates shall be furnished for the purpose of recording the plat.
3. Drive approaches and sidewalks shall conform to City of Sherman standards and a permit is required from City of Sherman Engineering Department.
4. Elimination of one long side service is required at the tap.
5. Developer/Owner shall be responsible for any relocation of utility services as a result of the Replat.
6. Any other changes made to the replat prior to the final fulfillment of the conditions of the staff review, must be considered minor by the staff as to not require resubmission to the Planning and Zoning Commission.

The Board will not consider a request unless it has representation. You are hereby notified to be present, either in person or by a legally authorized representative to present your case on the date and time stated above.

If additional information or clarification is needed, do not hesitate to contact Lisa Whitfield, Engineering and Development Coordinator at 903-892-7212 prior to the meeting.

Respectfully,

Clay Barnett,
City Engineer

cc: George Olson, City Manager
Brandon Shelby, City Attorney
Jamie Baggs, Fire Marshal
Don Keene, Dir. of Public Works

Scott Shadden, Director of Development Services
Mark Gibson, Dir. of Engineering and Utilities
Lisa Whitfield, Engineering & Development Coordinator
Sartin and Associates, PO Box 1843, Sherman, TX 75091



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Agenda Item No. **J.**

Meeting Date: 04/15/2013

Approved By: George Olson, City Manager

Caption:

COUNCIL CALENDAR

Attachments

Calendar

2013

JANUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

03/13/2013	12 noon Called Council Meeting for General Services, Financial, and Comprehensive Master Plan Updates
04/26/2013	Called Budget Planning Meeting in Council Chambers
06/20-21/2013	Called Budget Workshop in Council Chambers
09/02/2013	Labor Day/Called Council Meeting on 09/03/2013
