

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, APRIL 2, 2018
5:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER SHAWN C. TEAMANN**
- A. 3. INVOCATION BY COUNCIL MEMBER SHAWN C. TEAMANN**
- A. 4. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF MARCH 19, 2018**

Proclamations

- B. 1. PROCLAMATION**
"Child Abuse Prevention and Awareness Month" – April 2018
- B. 2. PROCLAMATION**
"Sexual Assault Awareness Month" – April 2018
- B. 3. PROCLAMATION**
"National Library Week" – April 8-14, 2018

Public Hearing

- C. 1. PUBLIC HEARING**
Proposed Agreement with West Moore Solar, LLC/West Moore Solar II, LLC for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas

Close Public Hearing and Consider the Consent Agenda

- C. 2. 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. 6358**
Authorizing Execution of an Agreement with West Moore Solar, LLC/West Moore Solar II, LLC for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas
- D. 2. RESOLUTION NO. 6359**
Authorizing Execution of an Integrated Supply Agreement with AME168, Inc., d/b/a NAPA Auto Parts

D. 3. * RESOLUTION NO. 6360

Authorizing Execution of an Agreement with Jose E. Tobar for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 823 North Branch Street

Other Business

E. 1. OTHER BUSINESS

Receive Quarterly Progress Report from Sherman Economic Development Corporation Board Chairman John Sild

E. 2. OTHER BUSINESS

Receive a Presentation from Former Mayor Cary Wacker regarding Proposed Boundary Changes for the A&C (Arts and Cultural Overlay) District and Related Grant Opportunities

E. 3. OTHER BUSINESS

Receive Update from Community and Support Services Manager Nate Strauch regarding Ongoing Projects in the City

E. 4. * OTHER BUSINESS

Consider Request of the Sherman Main Street Advisory Committee to Temporarily Close Certain Streets for "Christmas in July" on Saturday, July 7, 2018

F. CITIZEN REQUESTS

G. MEDIA QUESTIONS

Consider Board/Commission Appointments

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

(a) Library Board (1)

I. COUNCIL COMMENTS

Executive Session

J. 1. EXECUTIVE SESSION

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

Section 551.071	Consultation with City Attorney concerning Pending or Contemplated Litigation
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Section 551.071	Consult with the City Attorney on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter
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- (a) Deliberate Regarding Commercial or Financial Information that the City has Received from a Business Prospect and Deliberate any Offers or Incentives to the Business Prospect

The Council reconvenes into General Session

K. 1. OPEN MEETING

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

L. 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 March 30, 2018 at 2:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 30th day of March, 2018
City of Sherman, Texas

City Clerk

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

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

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

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

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

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

Mayor

David Plyler

Deputy Mayor

Pamela L. Howeth

Council Members

Willie Steele, Council-At-Large, PL #1

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

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

A.4.

Meeting Date: 04/02/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF MARCH 19, 2018

Attachments

March 19, 2018

Grayson County Thoroughfare Plan

Neighborhood Refresh

STATE OF TEXAS §

March 19, 2018

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 March 19, 2018.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR PAM HOWETH.
COUNCIL MEMBERS HOLLAND, SOFEY, STEELE,
STEVENSON, TEAMANN.

MEMBERS ABSENT: NONE.

CALL TO ORDER

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

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called City Council Meeting of February 28, 2018, and the Regular City Council Meeting of March 5, 2018. Deputy Mayor Howeth moved to approve the Minutes as presented; Second by Council Member Steele. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

RECEIVE PRESENTATION FROM HUITT-ZOLLARS, INC. ON THE DRAFT GRAYSON COUNTY THOROUGHFARE PLAN

Clay Barnett, Director of Development Services/Grayson County Engineer; Executive Director, Sherman-Denison Metropolitan Planning Organization, said about a year ago, Grayson County, the MPO, Sherman, and Denison signed an agreement for a County-wide Thoroughfare Plan. Since that time, the consultants have been working on a Plan and will present the draft to the City Council.

**DRAFT GRAYSON
COUNTY
THOROUGHFARE
PLAN**

He introduced Ken Hughes, Project Manager, Huitt-Zollars, Inc., who updated the Council on the status of the project. He said they have updated the MPO Policy Board and the County Commissioners.

He introduced Mike McAnelly, Deputy Project Manager, Huitt-Zollars, Inc., to discuss the planning aspects of the project. He said the Thoroughfare Plan is about meeting the transportation needs for Grayson County and a part of that is coordinating with the plans that the cities have already adopted.

The City has authority over the thoroughfares inside their City limits and in the Extra Territorial Jurisdiction, and the County is concerned with how the cities work together and the unincorporated area outside the ETJ.

It is important to preserve corridors for future roadway development and to enable the acquisition of right-of-way

through the subdivision process. It's also a guide for public investments.

Mr. McAnelly said it is a planning tool for Grayson County that needs to be updated every five to seven years. It involves a population of 120,877 and 17 municipalities.

Mr. Hughes explained how the Plan was begun and discussed the overlay of maps for the roadway network. The tollways, freeways, major arterials, minor arterials, and local streets are part of a roadway network for the County for the next 50 to 100 years. He outlined the characteristics for the specific types of roadways.

The next steps for the Plan are to receive comments from the cities and to update the Travel Demand Model. It will then be submitted to the Texas Department of Transportation. Mr. Hughes said there are multiple funding sources for the Plan, including traditional funding such as from the developer, from City or County bonds, the County Vehicle Registration Fee, and the various categories of TxDOT funding.

Non-traditional sources of funding include tolling through a private developer, Congressional funding, a Transportation Reinvestment Zone, a State infrastructure bank loan, and any potential new Federal funding programs.

Mr. Hughes said their next step would be a meeting with TxDOT Paris District and TxDOT TPP Division to identify and discuss funding sources. Once the projects are identified, they will evaluate opportunities to leverage funding to expedite or fund additional projects.

Robby Hefton, City Manager, asked if the information would be sufficient, when complete, to update the Transportation Section of the Comprehensive Master Plan. Mr. Barnett said it would be enough information.

They will have a map that will be adopted by all cities in Grayson County, along with a document about how to design the roadways. It will include specifics for the various types of roadways. The Plan itself will adopt the specifics for the major and minor arterial roads, but the local roads will be adopted by the individual cities.

Mr. Hefton said there are 12 or 13 different modules in the City's Comprehensive Master Plan, and one of those is transportation. These components are being updated on a piecemeal basis, such as with the Parks Master Plan. The efforts being done not only help the City with planning efforts, but will also be codified as an update to the Master Plan.

Bill Magers, Grayson County Judge, said one of the big questions is how will we pay for the Plan. He thanked the City for their participation, saying this is Grayson County's first Thoroughfare Plan.

He said State Representative Larry Phillips has informed him that the MPO boundaries were expanded to include all of Grayson County. This will mean about \$600,000 annually in road revenues for the County.

Judge Magers said Grayson County has a window of opportunity and the difference between the Denison/Grayson County tolling and NTTA, is that the tolls remain in Grayson County.

He said if the County can get these projects documented and ready to go, and go to TxDOT with the local matches, that will be discussed in the future, he felt there was a good chance to “garnish those funds.” He was concerned that if Grayson County doesn’t move quickly, as a community, projects from the larger cities will “suck” the funding away for their projects.

Council Member Sofey arrived at the Council Meeting at 5:15 p.m.

PUBLIC HEARING

AMENDMENT TO AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR EQUIPMENT WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS

TEXAS INSTRUMENTS
AMENDMENT TO
AD VALOREM
PROPERTY TAX
ABATEMENT

Mary Lawrence, Director of Finance, said the proposed abatement is for equipment that is warehoused at the Sherman Texas Instruments facility. The original abatement was for five years, and it can be extended, by law, for an additional five years.

Over the next five years, the total taxes, assuming the current rate and current value of \$10 million, would be \$213,000, with a benefit to the taxpayer of about \$117,000. The City will realize about \$96,000.

No citizens appeared before the City Council to discuss the proposed amendment to the agreement with Texas Instruments Incorporated for the abatement of Ad Valorem Property Taxes.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Plyler introduced Ordinance No. 6101 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 032018-01, 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 6101
INDUSTRIAL
REINVESTMENT ZONE

COUNCIL MINUTES – MARCH 19, 2018

Ms. Lawrence said this would create a Tax Reinvestment Zone containing the property of West Moore Solar. The Tax Reinvestment Committee recommended the creation and abatement of taxes within the zone.

The agreement would be for a five year abatement, at 50% per year total taxes, or about \$238,000, with a benefit to the taxpayer of about \$119,000, and the same to the City.

The actual abatement will be considered at the April 2, 2018 City Council Meeting. The current ordinance only approves the creation of the zone.

Darren Wilson, representing West Moore Solar, was available if anyone had questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6101.

Mayor Plyler introduced Ordinance No. 6102 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A TWO-FAMILY DWELLING (DUPLEX) IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 205, 209 AND 211 EAST JONES STREET, BEING PART OF LOT 7, BLOCK 14, ORIGINAL TOWN PLAT (OTP) (GERARADO AND JEMIMA ANGUIANO AND JESUS PACHECO, OWNERS); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6102
SUP FOR
DUPLEX
(205, 209, 211
E. JONES)

Scott Shadden, Director of Development Services, said the request is to allow a duplex in an existing building that was formerly a duplex, but was converted to single-family.

Instead of a zone change, the Planning and Zoning Commission recommended a Specific Use Permit. Then if the duplex ceases, the property will become Commercial, like the remainder of the property in that block.

Jemima Anguiano, representing the owners, was available if anyone had questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6102.

Mayor Plyler introduced Ordinance No. 6103 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE SF-1 (SINGLE FAMILY RESIDENTIAL) DISTRICT IN THE 200 BLOCK OF HILRE DRIVE AND THE 4900 BLOCK KNOLLWOOD

ORD 6103
ZONE CHANGE
(200 BLOCK
HILRE DR. & 4900
BLOCK KNOLLWOOD
RD)

COUNCIL MINUTES – MARCH 19, 2018

ROAD, BEING LOTS 1, 2 AND 3, BLOCK 1, REPLAT OF BLOCKS 2-9, NORTH CREEK ADDITION, SECTION ONE AND ALL OF BLOCK NO. 1 OF THE REPLAT OF NORTH CREEK ADDITION, SECTION ONE (YOUNG ENTERPRISES, LP, OWNERS; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER.

Mr. Shadden said the request is to go from C-1 (Retail Business) zoning to SF-1 (Single Family Residential) zoning to allow construction of four new homes. The Planning and Zoning Commission recommended approval of the zone change, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6103.

Mayor Plyler introduced Ordinance No. 6104 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-O (OFFICE) DISTRICT AT 1200 NORTH EAST STREET, BEING 0.316 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING ALL OF LOTS 1 AND 2, BLOCK 2, KERR'S BLOOMFIELD ADDITION AND A 40' X 145' TRACT OF LAND (KS & D R3, LLC, OWNERS; TERRIN BEFTHOLF, REPRESENTATIVE; AUSTIN HOOVER, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER.

**ORD 6104
ZONE CHANGE
(1200 N. EAST ST)**

Mr. Shadden said the request is to go from R-1 (One Family Residential) to C-O (Office) zoning. This was formerly a church and is across the street from Dr. Martin Luther King, Jr. Park. The Planning and Zoning Commission recommended approval of the zone change, subject to the Staff Review Letter.

The Board of Adjustments also granted a Variance to allow a 3'3" front setback in lieu of 25' required and a 3'8" side yard setback in lieu of the required 10' for an existing building and patio screen. They also granted an Exception to allow a 6' fence, 5' from the front and side property line in lieu of 25' required.

Chery Scott, 417 E. Evergreen, asked about a privacy fence. Mr. Shadden said the fence was one of the Exceptions that was granted. He explained that the Board of Adjustments heard the Exception and the City Council considers the zone change.

No other citizens appeared before the City Council to discuss Ordinance No. 6104.

Mayor Plyler introduced Ordinance No. 6105 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE

**ORD 6105
ZONE CHANGE
(200 BLOCK W. LAKE
ST & W. FOREST AVE &
1700 BLOCK S. ELM**

R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 200 BLOCK OF WEST LAKE STREET AND WEST FOREST AVENUE AND THE 1700 BLOCK OF SOUTH ELM STREET AND SOUTH CROCKETT STREET, BEING ALL OF BLOCK 6 OF THE REPLAT OF BLOCKS FOUR, FIVE, SIX, FIFTEEN, SEVENTEEN, TWENTY-NINE, THIRTY, THIRTY-ONE, FORTY AND FORTY-ONE OF SOUTHSIDE ADDITION (R2 CONCEPTS, LLC, OWNERS; ALEJANDO H. PENA, JR., DESIGNER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

& S. CROCKETT ST)

Mr. Shadden said the request is to go from M-1 (Light Manufacturing) to R-2 (Multi-Family Residential) zoning. The property is located between a church and 903 Brewery. The owners are requesting to build duplexes on each of the 16 lots.

The Planning and Zoning Commission recommended approval of the zone change, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6105.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6101

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 032018-01, 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 6101
INDUSTRIAL
REINVESTMENT ZONE

Ordinance 6102

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A TWO-FAMILY DWELLING (DUPLEX) IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 205, 209 AND 211 EAST JONES STREET, BEING PART OF LOT 7, BLOCK 14, ORIGINAL TOWN PLAT (OTP) (GERARADO AND JEMIMA ANGUIANO AND JESUS PACHECO, OWNERS); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6102
SUP FOR
DUPLEX
(205, 209, 211
E. JONES)

Ordinance 6103

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE SF-1 (SINGLE FAMILY RESIDENTIAL) DISTRICT IN THE 200 BLOCK OF HILRE DRIVE AND THE 4900 BLOCK KNOLLWOOD

ORD 6103
ZONE CHANGE
(200 BLOCK
HILRE DR. & 4900
BLOCK KNOLLWOOD
RD)

ROAD, BEING LOTS 1, 2 AND 3, BLOCK 1, REPLAT OF BLOCKS 2-9, NORTH CREEK ADDITION, SECTION ONE AND ALL OF BLOCK NO. 1 OF THE REPLAT OF NORTH CREEK ADDITION, SECTION ONE (YOUNG ENTERPRISES, LP, OWNERS; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER.

Ordinance 6104

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-O (OFFICE) DISTRICT AT 1200 NORTH EAST STREET, BEING 0.316 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING ALL OF LOTS 1 AND 2, BLOCK 2, KERR'S BLOOMFIELD ADDITION AND A 40' X 145' TRACT OF LAND (KS & D R3, LLC, OWNERS; TERRIN BEFHOLF, REPRESENTATIVE; AUSTIN HOOVER, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER.

ORD 6104
ZONE CHANGE
(1200 N. EAST ST)

Ordinance 6105

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT IN THE 200 BLOCK OF WEST LAKE STREET AND WEST FOREST AVENUE AND THE 1700 BLOCK OF SOUTH ELM STREET AND SOUTH CROCKETT STREET, BEING ALL OF BLOCK 6 OF THE REPLAT OF BLOCKS FOUR, FIVE, SIX, FIFTEEN, SEVENTEEN, TWENTY-NINE, THIRTY, THIRTY-ONE, FORTY AND FORTY-ONE OF SOUTHSIDE ADDITION (R2 CONCEPTS, LLC, OWNERS; ALEJANDO H. PENA, JR., DESIGNER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

ORD 6105
ZONE CHANGE
(200 BLOCK W. LAKE
ST & W. FOREST AVE &
1700 BLOCK S. ELM
& S. CROCKETT ST)

ACTION TAKEN.

Motion by Council Member Steele to adopt Ordinance Nos. 6101, 6102, 6103, 6104, and 6105, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Plyler removed Item C-8, entitled "Resolution No. 6357 – Authorizing the Purchase of a 2019 Autocar ACX64 and related Equipment for the Solid Waste Department from HGAC through the Texas Local Government Purchasing Cooperative (BuyBoard)," from the Consent Agenda for consideration.

CONSENT AGENDA

Council Member Stevenson moved to approve the Consent Agenda, with the exception of Item C-8, which will be discussed separately. Second by Council Member Teamann. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6357 – AUTHORIZING THE PURCHASE OF A 2019 AUTOCAR ACX64 AND RELATED EQUIPMENT FOR THE SOLID WASTE DEPARTMENT FROM HGAC THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD)

RES 6357
SOLID WASTE
VEHICLE

Brandon Shelby, City Attorney, explained that a mistake was found in the caption of Resolution 6357. He explained that the caption referenced H-GAC, Texas Local Government Purchasing Cooperative, and BuyBoard, which are three separate purchasing cooperatives.

The equipment is being purchased through H-GAC from Chastang Enterprises dba Chastang's Bayou City Autocar. The equipment being purchased and the entity through which it is being purchased are the same as listed on the agenda so the Council can amend the motion to reflect the correct information. He added that the caption being read is the correct caption.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A 2019 AUTOCAR ACX64 AND RELATED EQUIPMENT FOR THE SOLID WASTE DEPARTMENT FROM CHASTANG ENTERPRISES DBA CHASTANG'S BAYOU CITY AUTOCAR THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC).

Deputy Mayor Howeth asked what an Autocar was. Mr. Hefton explained that there are two parts to a trash truck, the chassis and the body or loader. This is one of the parts. Resolution 6357 and Resolution 6356 make one trash truck.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve Resolution No. 6357, as amended. Second by Council Member Steele.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6350 – AUTHORIZING EXECUTION OF AN AMENDMENT TO THE AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR AN EXTENSION OF THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS

RES 6350
TEXAS INSTRUMENTS
TAX ABATEMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AMENDMENT TO THE AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR AN EXTENSION OF THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 042013-1, CITY OF SHERMAN, TEXAS.

Ms. Lawrence said this is the resolution for the extension of the Tax Abatement Agreement with Texas Instruments, that was discussed earlier.

ACTION TAKEN.

Motion by Council Member Teamann to approve Resolution No. 6350, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6351 – APPROVING AND SUPPORTING THE ISSUANCE OF A LAW ENFORCEMENT ACADEMY LICENSE FROM THE TEXAS COMMISSION ON LAW ENFORCEMENT (TCOLE) FOR THE CREATION OF A LAW ENFORCEMENT ACADEMY AT THE SHERMAN POLICE DEPARTMENT; PROVIDING FOR THE APPOINTMENT OF AN ADVISORY BOARD; AND AUTHORIZING THE SUBMISSION OF AN APPLICATION BY THE CHIEF OF THE SHERMAN POLICE DEPARTMENT OR HIS DESIGNEE

**RES 6351
POLICE ACADEMY**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND SUPPORTING THE ISSUANCE OF A LAW ENFORCEMENT ACADEMY LICENSE FROM THE TEXAS COMMISSION ON LAW ENFORCEMENT (TCOLE) FOR THE CREATION OF A LAW ENFORCEMENT ACADEMY AT THE SHERMAN POLICE DEPARTMENT; PROVIDING FOR THE APPOINTMENT OF AN ADVISORY BOARD; AND AUTHORIZING THE SUBMISSION OF AN APPLICATION BY THE CHIEF OF THE SHERMAN POLICE DEPARTMENT OR HIS DESIGNEE.

Zach Flores, Police Chief, said the creation of a Police Academy at the Police Department stems from several things, including the fact that over the last three years, they have spent about \$90,000 sending recruits to different Police Academies. Not all those recruits are still employed by the City.

They have looked at the different issues including quality of training, time it takes to get into and through the Academy, the financing, and the physical resources. They wanted to be very specific in the content and curriculum of the Academy and can only train to a certain level at the present time.

They currently have 17 in-house instructors and under the “umbrella” of a Police Academy, they would be allowed to do any kind of training, and provide that training to other agencies. Chief Flores said he did not anticipate adding any personnel for the Police Academy.

The goal is to make the training budget go farther and to address the time frame on both the “front-end” and the “back-end” of the process. They want to get the recruits into the program quicker and know that the content and the curriculum

is what it needs to be when they are there. He felt this was a way to assure that the recruits are receiving the specialized training they need. He felt they could add additional courses at a lower cost. Chief Flores said other agencies could pay \$1,000 per recruit to have them trained at the Academy.

He said they have support from other agencies. Sherman is providing the gun range and the City of Allen has agreed to allow them to use their driving course, free of charge. The Texoma Council of Governments will allow them to use classroom space, free of charge.

He said tonight's agenda item is to offer support for the creation of the Police Academy, but does not "lock the City" into anything.

Council Member Steele asked if tonight they were just asking for support for the application process and would a finalized plan and budget be submitted to the Council again for approval.

Chief Flores said the only budgetary concern would be if there was a time when they wouldn't have an instructor. The current officers would be there on assignment and there might be some manipulation of their work load. He said, other than that, there would be no additional cost.

Mr. Hefton added that any cost the City would have is already built into the budget because they would be avoiding the cost of sending the cadets to the Academy. There would be no budget amendment effect.

As with any new program, the staff will present a periodic update on the program to the City Council. From the pre-planning, the staff believes it will be a good thing for the City because of the issues discussed. But the staff will provide updates to Council to let them know how it's going.

From a technical standpoint, Mr. Hefton said the vote tonight is a "vote of confidence" that is not required by law, but is a good thing to do so TCOLE knows that the Council is aware of and in support of the program.

Council Member Steele said he was curious about the process. Chief Flores said there are still additional steps that must be done with the State prior to starting the Academy.

Council Member Stevenson asked about the TCOLE requirements. Chief Flores said they would need to appoint a Board of Advisors, who would need to submit a bio and attend a training course. The training coordinators will need to appear before TCOLE to answer their questions.

Council Member Stevenson asked, after the Academy is opened, would there still be times when a cadet might be sent to Grayson Academy. Chief Flores said there is the potential

to still send cadets to that Academy. He said they would not conduct an Academy when it is not fiscally responsible. If it would cost more to bring in Sherman officers to teach the classes, they would send them to Grayson Academy.

He discussed the ability for the Police Department to instill the character and integrity that he feels Sherman officers should have. He said Sherman is a unique City and he wants to make sure that the officers are the high caliber that the community demands.

Council Member Stevenson verified that there was a lot of support from the Police Department for the Police Academy. He said the officers are excited to see it because they are confident in their ability to train the recruits.

Deputy Mayor Howeth verified that the program would give the Police Department more flexibility in scheduling the training, but she asked about retention. There is no way to assure that an officer will stay in Sherman after they have completed the Police Academy. Chief Flores said that is a situation that the Department currently faces.

Council Member Sofey asked about the time commitment of training officers and the effect of having officers on the street. Chief Flores said they currently have 17 officers that are instructors. He said, one year ago, they would not have had the manpower in the Department to offer this program. Now they do, and he felt it could be accomplished without adding any staff.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 6351, as presented. Second by Council Member Sofey.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6352 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH HIGHWAY 19 CONSTRUCTION, LLC BASED ON AN INVITATION TO BID FOR CONSTRUCTION OF THE SHERMAN STREETSCAPES PHASE II 2018 PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH HIGHWAY 19 CONSTRUCTION, LLC BASED ON AN INVITATION TO BID FOR CONSTRUCTION OF THE SHERMAN STREETSCAPES PHASE II 2018 PROJECT.

**RES 6352
SHERMAN
STREETSCAPES
PHASE II PROJECT**

Clint Philpott, Director of Engineering, said the City started this project in July 2016 and has had to rebid several times. This time they contacted TxDOT to see if they had any other qualified bidders that might be interested in sidewalk work.

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Three bids were received and Highway 19 Construction was the low bid at \$361,000, which is actually less than the previous bids that were received.

The City has approval for approximately \$500,000 for sidewalks in that area, so if the Council approves the contract, the staff will work with TxDOT and the contractor to use as much of the grant money on the project as available. With approval, the contractor should begin work in early Summer 2018.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6352, as presented. Second by Council Member Steele.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6353 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE CHOICE PARTNERS PURCHASING COOPERATIVE, A DIVISION OF THE HARRIS COUNTY DEPARTMENT OF EDUCATION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE CHOICE PARTNERS PURCHASING COOPERATIVE, A DIVISION OF THE HARRIS COUNTY DEPARTMENT OF EDUCATION.

RES 6353
CHOICE PARTNERS
PURCHASING
COOPERATIVE

Steve Ayers, Assistant City Manager, explained that the Interlocal Agreement would allow the City to use the purchasing cooperative through the Harris County Department of Education.

ACTION TAKEN.

Motion by Council Member Teamann to approve Resolution No. 6353, as presented. Second by Deputy Mayor Howeth.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6354 – AUTHORIZING THE PURCHASE OF FURNITURE AND SHELVEING FOR THE SHERMAN LIBRARY RENOVATIONS PROJECT FROM LIBRARY INTERIORS OF TEXAS, LLC, THROUGH THE CHOICE PARTNERS PURCHASING COOPERATIVE, A DIVISION OF THE HARRIS COUNTY BOARD OF EDUCATION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF FURNITURE AND SHELVEING FOR THE SHERMAN LIBRARY RENOVATIONS PROJECT FROM LIBRARY INTERIORS OF

RES 6354
LIBRARY FURNITURE
& SHELVEING

TEXAS, LLC, THROUGH THE CHOICE PARTNERS PURCHASING COOPERATIVE, A DIVISION OF THE HARRIS COUNTY BOARD OF EDUCATION.

Mr. Ayers said the Choice Partners Purchasing Cooperative, that was just approved, would be used to purchase furniture and shelving for the Sherman Library Renovation Project. The cost of the equipment is consistent with the original budget for the project.

Council Member Teamann asked if the items were bid out locally, and if not, was it because there was no local provider for this type of furniture. Mr. Ayers said it was considered, but with the scope, size, and unique nature of the furniture, there were no known local vendors. This vendor was known through the planner and engineer for the renovation project.

Deputy Mayor Howeth asked about the tentative date for reopening the Library. Mr. Ayers said, per the contract, construction should be completed by the end of May 2018. Landscaping and parking lots will follow.

Currently they are “on track” with both their progress and the budget. He said it has been a two-year project and the staff has been very pleased with the progress.

Mr. Hefton said in relation to change orders, one of the benefits of using the Construction Manager At-Risk model is that it removes a lot of the variability and unknowns out of the cost of the project. There are certain things that it doesn’t cover and when remodeling a 40 year old building, you don’t know what you’ll find. You can’t mitigate all the risks, but that type of model takes some of the guess work out of the cost of a project.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve Resolution No. 6354, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6355 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ATLAS UTILITY SUPPLY FOR THE PURCHASE OF WATER METERS FOR THE CUSTOMER AND UTILITY SERVICES DEPARTMENT
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ATLAS UTILITY SUPPLY FOR THE PURCHASE OF WATER METERS FOR THE CUSTOMER AND UTILITY SERVICES DEPARTMENT.
CONSENT AGENDA.

**RES 6355
WATER METERS**

RESOLUTION NO. 6356 – AUTHORIZING THE PURCHASE OF A NEW HEIL DP PYTHON BODY FOR THE SOLID WASTE DEPARTMENT FROM HEIL OF TEXAS THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD)

RES 6356
SOLID WASTE
VEHICLE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A NEW HEIL DP PYTHON BODY FOR THE SOLID WASTE DEPARTMENT FROM HEIL OF TEXAS THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD).
CONSENT AGENDA.

REQUEST TO ADVERTISE
CONTRACTING WITH A CONSTRUCTION MANAGER-AT-RISK (CMAR) FOR CONSTRUCTION OF THE PECAN GROVE ATHLETIC COMPLEX

REQ TO ADVERTISE
PECAN GROVE
ATHLETIC COMPLEX
CONSTRUCTION
MANAGER-AT-RISK

Theresa Hutchinson, Parks and Recreation Manager, presented the request to advertise for a Construction Manager-At-Risk for construction of the Pecan Grove Athletic Complex, located at Pecan Grove West Park.

The Complex will include soccer fields, baseball fields, softball fields, concrete walkways, and irrigation. The Construction Manager-At-Risk will assume the risk of the construction of the facilities at a guaranteed maximum price.

ACTION TAKEN.

Motion by Council Member Sofey to approve the Request to Advertise for a Construction Manager-At-Risk for construction of the Pecan Grove Athletic Complex, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

ACCEPT ANNUAL AUDIT REPORT FOR YEAR ENDED SEPTEMBER 30, 2017 FROM ADAMI, LINDSEY AND COMPANY, LLP

ANNUAL AUDIT

Brian Grisham, Audit Manager, Adami, Lindsey and Company, LLP, presented the Audit Report for the year ended September 30, 2017. The Audit contains the City's financial statements and schedules, and is one of the ways in which the City demonstrates its accountability to the debt holders and to citizens.

Three independent audit reports were issued this year in conjunction with the Annual Audit. On Financial Statements, the Auditors issued a "clean, unmodified opinion," that in their opinion, the financial statements are fairly presented in accordance with established accounting standards.

The second report is required by Government Auditing Standards, when an entity receives Federal or State grant

awards. The standard is to review and test the internal controls and reporting systems. Their testing found no matters with the internal control or compliance, that they were required to report.

The third report is also on internal control and compliance and is required by the Federal Single Audit Act, when an entity's Federal expenditures or awards exceed the \$750,000 threshold. Mr. Grisham said they issued an unmodified or clean opinion on those requirements, with no findings and no deficiencies noted.

He said, overall, the City is in good financial condition and the City has reserves of more than two months' worth of expenses and expenditures. The City enjoyed improved ending results over the prior year and an increase in revenues.

Mr. Grisham said the City is in good financial position, well designed and operating effectively. The books and records are maintained in good order. He recognized the good work by the City staff and Finance Department.

ACTION TAKEN.

Motion by Council Member Teamann to accept the Annual Audit Report for the year ended September 30, 2017, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RECEIVE PRESENTATION FROM COMMUNITY AND SUPPORT SERVICES MANAGER NATE STRAUCH REGARDING THE "NEIGHBORHOOD REFRESH INITIATIVE"

**NEIGHBORHOOD
REFRESH INITIATIVE**

Nate Strauch, Community and Support Services Manager, said the Neighborhood Refresh Initiative was launched late last year in response to Council concerns over the state of some properties. The initiative was to make sure the City was doing its part to clean up some properties and also holding property owners accountable for their own property.

The Council wanted to focus on trash, debris, and junk vehicles. These areas were easy to identify and very obviously areas of concern. They also wanted to move from a reactive approach to a proactive approach.

The program included tools to make sure that departments were able to work together and coordinate their efforts. The program also was designed to focus on one quarter of the City at a time, with each quarter being highlighted for a three month period. Departments involved include Code Enforcement, Police, Fire, Substandard Structures, Streets, Utilities, and Planning and Zoning.

Mr. Strauch discussed the goals of the program including a focused enforcement, consolidating databases, and breaking

down information among City departments. They also purchased a software program, Tolemi, to consolidate the databases.

He discussed the information that could be generated through the consolidation of the databases and how the information would be viewed through an interface. He showed photos of some of the complaints that had been identified and corrected. He also outlined the information contained in, and the capabilities of the new software, on the databases.

Mr. Hefton added that all the information being put into the database is available through public information and none of it is confidential. Mr. Strauch reiterated that the information is a powerful tool, but it is used for internal purposes only.

Mr. Strauch explained that, currently three different departments, managed by three different people are a part of the clean-up project. These include Community Development, which uses Federal funds for housing demolition, rehab, and non-profit pass-throughs; Substandard Structures, which identifies problem houses and demolishes them when appropriate; and Code Enforcement, which “keeps tabs on” blighted properties. He said there is a lot of overlap between these departments.

Of the five employees that are in those three departments, there has recently been one retirement, one inter-departmental transfer, and one pending retirement.

In order to maximize efficiency, the staff plans to combine the clean-up duties of those three departments into two departments. The Community Development Department and the Code Enforcement Department will share the focus on Substandard Structures.

This change will result in the addition of half a person to the program, which will then support 5.5 employees. By restructuring and cross-training employees, the program should become more efficient. Mr. Strauch added that with retirements and transfers, the City already has money in the budget to make these changes. With Council approval, the staff will advertise for the additional position.

The goal is to focus enforcement on one-quarter of the City at a time, and to seek voluntary compliance where possible. Internally the goal is to consolidate multiple databases into one location, which would allow the staff to track City-wide trends across time, and to view a breakdown of information among all City departments to foster better communication and customer service. During the first three months of the program, the City has seen 80% compliance from citizens.

As the program continues into the second year, Mr. Strauch said there will be tougher enforcement for repeat offenders, the software will be refined and rolled into other departments,

and the department restructure will add staffing and “shore-up” existing programs and expand efforts with the substandard structures.

Council Member Stevenson said there seems to be a lot of information coming from other departments and he asked if they had the staff that was needed and asked how many Code Enforcement Officers were on the street. Mr. Strauch said there are currently three and the proposed changes will make it 3.5 Code Enforcement Officers on the street.

He also asked how the software would be used in the various departments. Mr. Strauch said that would vary by department and based on the interface with the particular departments. The City has access to 15 licenses, but that will be expanded.

Mr. Ayers added that Public Works has also focused on a certain quadrant in town and will spend more time on potholes and road improvements. While streets were recently being repaired in Constitution Village, they also cleared off 14 junked vehicles. He said it all ties together as a quality of life issue.

Council Member Teamann asked who will have access to the database. Mr. Strauch said the licenses have separate log-ins for tracking.

Council Member Teamann asked if the software would allow citizens to submit their own request about problems of which they are aware. Mr. Strauch said this software is not designed to be “public based.” That increased functionality is very costly. He said this software is meant to “sit on top” of the City’s current GIS software. If a request currently comes in, it is forwarded to the correct department and they would enter it into the database.

Mr. Hefton said this database is more of an internal tool and not an automated entry system. Mr. Strauch said the current system is to “tell us what we’re doing, not what we need to do.” Mr. Hefton verified that the cost of the Tolemi system is \$7,500 annually.

Deputy Mayor Howeth expressed concern about homes in her Council District that were originally owned by older citizens that are passing away. She felt many people moving in didn’t actually know what the codes were in regards to grass, trash, cars in the yard, and similar violations. She asked how that information might be disseminated.

Mr. Hefton said when a potential violation occurs, the City does give notice about the violation, and most of the time, that’s all it takes. Deputy Mayor Howeth felt it would be good to get information about the codes out to the public.

Chief Flores said the Police Department is working on a schedule for social media to distribute information and be proactive. They can isolate a neighborhood and send

information accordingly. This general information is what they are looking to disseminate. He said there are currently about 17 neighborhoods that they are sending information too. Mr. Strauch said the “light-handed touch” was used to help educate citizens during the first year of the program.

Council Member Teamann asked what the total increase of properties touched was since they started focusing on one quadrant. Mr. Strauch said the total number of properties touched stayed about the same because the staff stayed about the same. Mr. Hefton said adding resources within the current budget should result in an increase of properties touched.

Council Member Sofey asked about the manpower level five years ago. Mr. Hefton said it was 1.5 employees instead of 3.5 employees. He asked to have that number compared with Sherman’s peer cities during budget discussions. Mr. Hefton said there will be discussion during the upcoming Budget Work Sessions.

SETTING THE PUBLIC HEARING ON A PROPOSED AGREEMENT WITH WEST MOORE SOLAR, LLC/WEST MOORE SOLAR II, LLC, FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 032018-01, CITY OF SHERMAN, TEXAS

WEST MOORE SOLAR
TAX ABATEMENT

Ms. Lawrence said this item will set a Public Hearing for a proposed agreement for abatement of Ad Valorem Property Taxes. The staff recommended that the Public Hearing and proposed Agreement be considered at the April 2, 2018 City Council Meeting.

ACTION TAKEN.

Motion by Council Member Stevenson to set a public hearing for April 2, 2018, to discuss a proposed agreement with West Moore Solar, LLC/West Moore Solar II, LLC, for a proposed abatement of Ad Valorem Property Taxes, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CONSIDER REQUEST OF THE 2018 EARTH DAY PLANNING COMMITTEE TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE “10TH ANNUAL EARTH DAY FESTIVAL” ON SATURDAY, APRIL 21, 2018

CLOSE STREETS
EARTH DAY FESTIVAL

The City Council approved the request of the 2018 Earth Day Planning Committee to temporarily close certain streets for the “10th Annual Earth Day Festival” on April 21, 2018. Barricades will be used for street closure around the Municipal Building and City Hall parking lot from 6:30 a.m. until 5:00 p.m.

CONSENT AGENDA.

SITE PLAN APPROVAL UNDER ORDINANCE NO. 2252, ARTICLE IV, SECTION 410(2)(J) TO ALLOW SHERMAN FIRE STATION #4 IN THE BLALOCK INDUSTRIAL PARK; SHERMAN ECONOMIC DEVELOPMENT CORPORATION, OWNERS; CITY OF SHERMAN, PROSPECTIVE BUYER; EIKON CONSULTING GROUP, ARCHITECT; AND MICHAEL TUBIOLO, REPRESENTATIVE (3117 NORTHGATE DRIVE)

FIRE STATION #4

Mr. Shadden said the City Council has the duty to approve Site Plans in the Blalock Industrial District. This Site Plan is for Fire Station #4. The Planning and Zoning Commission recommended approval of the Site Plan, subject to the Staff Review Letter.

ACTION TAKEN.

Motion by Council Member Sofey to approve the Site Plan to allow Sherman Fire Station #4 in the Blalock Industrial Park, as presented. Second by Deputy Mayor Howeth.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

REPLAT APPROVAL OF PROGRESS PARK ONE, NORTHGATE DRIVE, PHASE FOUR, LOTS 4, 5 AND 6, BLOCK 1, BEING ALL OF LOT 1, NORTHGATE BUSINESS PARK, PHASE 2 AND ALL OF LOT 1, BLOCK 1, PROGRESS PARK ONE, NORTHGATE DRIVE, PHASE 3, CONTAINING 29.8652 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; SHERMAN ECONOMIC DEVELOPMENT CORPORATION AND SOUTHEASTERN FREIGHT LINES, INC., OWNERS; AND BROCKETTE/DAVIS/DRAKE, INC., SURVEYOR (3117 AND 3209 NORTHGATE DRIVE)

APPROVE REPLAT
(PROGRESS PARK
ONE)

Mr. Shadden said this Replat is for the new Fire Station #4. The Planning and Zoning Commission recommended approval of the Site Plan, subject to the Staff Review Letter.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve the Replat of Progress Park One, Northgate Drive, Phase Four, as presented. Second by Council Member Sofey.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

REPLAT APPROVAL OF RIDGEVIEW COURT ESTATES, BEING 19.568 ACRES IN THE WILLIAM THOMPSON SURVEY, ABSTRACT NO. 1210, ALSO BEING LOTS 1-15, RIDGEVIEW COURT ESTATES; S&P TEXOMA REAL ESTATE, OWNER; AND UNDERWOOD DRAFTING & SURVEYING, SURVEYOR (100-400 BLOCKS OF RIDGEVIEW ROAD)

APPROVE REPLAT
(RIDGEVIEW COURT
ESTATES)

Mr. Shadden said this is a Replat for the development of 16 residential lots. The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.

COUNCIL MINUTES – MARCH 19, 2018

ACTION TAKEN.

Motion by Council Member Teamann to approve the Replat of Ridgeview Court Estates, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.

VOTING NAY: None.

ABSTAIN: Sofey.

MOTION CARRIED.

REPLAT APPROVAL OF CARRIAGE HOUSE ESTATES, LOT 3R, BEING A REPLAT OF PART OF LOTS 2 AND 3 IN THE CARRIAGE HOUSE ESTATES ADDITION, BEING 1 ACRE IN THE WILLIAM THOMPSON SURVEY, ABSTRACT NO. 1209, ALSO BEING A PORTION OF LOTS 2 AND 3 OF CARRIAGE HOUSE ESTATES; NORBERTO AND LISA GALARZA, OWNERS; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR (2214 CARRIAGE ESTATES ROAD)

The City Council approved the Replat of Carriage House Estates, Lot 3R, being a Replat of part of Lots 2 and 3 in the Carriage House Estates Addition. The property is a one acre tract, located at 2214 Carriage Estates Road.

The owners would like to replat the property into one lot for residential development. The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.

CONSENT AGENDA.

FINAL PLAT APPROVAL OF QUAIL RUN, PHASE TWO, BEING 20.429 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; 1417 LAND HOLDINGS, LLC, OWNERS; 300 SHERMAN, LP, DEVELOPER; GREG EDWARDS ENGINEERING SERVICES, INC., CIVIL ENGINEER; AND PRESTON TRAIL LAND SURVEYING, LLC, SURVEYOR (4700-5200 BLOCKS OF QUAIL RUN ROAD AND CORMORANT DRIVE)

The City Council approved the Final Plat of Quail Run, Phase Two, a 20.429 acre site, located in the 4700 to 5200 blocks of Quail Run Road and Cormorant Drive.

The property is zoned an R-1 (One Family Residential) District and SF-1 (Single Family Residential) District. The owners would like to plat the property into 84 lots for single family residential development with two open space lots.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.

CONSENT AGENDA.

FINAL PLAT APPROVAL OF CALVERLEY ADDITION, BEING 1.475 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; TRACY AND DEBRA CALVERLEY, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (3412 WEST HOUSTON STREET)

APPROVE REPLAT
(CARRIAGE HOUSE
ESTATES)

APPROVE FINAL PLAT
(QUAIL RUN,
PHASE TWO)

APPROVE FINAL PLAT
(CALVERLEY
ADDITION)

COUNCIL MINUTES – MARCH 19, 2018

The City Council approved the Final Plat of Calverley Addition, a 1.475 acre site, located at 3412 West Houston Street, between Ridgeview Road and Swan Ridge Drive.

The property is zoned C-1 (Retail Business) District, and the owners would like to plat the property into two lots for commercial development.

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

REPLAT APPROVAL OF LOTS 1, 2 AND 3, BLOCK 1, REPLAT OF BLOCKS 2-9, NORTH CREEK ADDITION, SECTION ONE AND ALL OF BLOCK NO. 1 OF THE REPLAT OF NORTH CREEK ADDITION, SECTION ONE, BEING A PART OF THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 AND BEING A REPLAT OF LOTS 1, 2 AND 3, BLOCK 1, REPLAT OF BLOCKS 2-9, NORTH CREEK ADDITION, SECTION ONE AND ALL OF BLOCK NO. 1 OF THE REPLAT OF NORTH CREEK ADDITION, SECTION ONE; YOUNG ENTERPRISES, LP, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (200 BLOCK OF HILRE DRIVE AND 4900 BLOCK OF KNOLLWOOD ROAD)

APPROVE REPLAT
(NORTH CREEK
ADDITION)

The City Council approved the Replat of Lots 1, 2 and 3, Block 1, Replat of Blocks 2 through 9, North Creek Addition, Section One, and all of Block No. 1 of the Replat of North Creek Addition, Section One, located in the 200 block of Hilre Drive and the 4900 block of Knollwood Road.

The property is zoned a C-1 (Retail Business) District, and the owner is requesting a zone change to an SF-1 (Single Family Residential) District, and to replat the property into five lots for residential development, with one lot being a detention pond area.

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

REPLAT APPROVAL OF POND MEADOWS, BEING A REPLAT OF LOTS 40, 41, 42 AND PART OF LOTS 43 OF HIGHLAND MEADOWS ESTATES ADDITION IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION (ETJ), BEING A PART OF THE WINFRED BAILEY SURVEY, ABSTRACT NO. 64 AND BEING ALL OF LOTS 40, 41 AND 42 AND PART OF LOT 43 OF HIGHLAND MEADOWS ESTATES ADDITION, CONTAINING 8.260 ACRES; BONNIE GIGLIO, OWNER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (1000 BLOCK OF RIDGEVIEW DRIVE)

APPROVE REPLAT
(POND MEADOWS)

The City Council approved the Replat of Pond Meadows, being a Replat of Lots 40, 41, 42 and part of Lot 43 of Highland Meadows Estates Addition, in the City's Extra Territorial Jurisdiction. The 8.260 acre tract is located in the 1000 block of Ridgeview Drive.

COUNCIL MINUTES – MARCH 19, 2018

The owner would like to replat the property into six lots for residential development.

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

FINAL PLAT APPROVAL OF WISE ADDITION IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION (ETJ), BEING 1.108 ACRES IN THE WILLIAM H. PULLIAM ADDITION, ABSTRACT NO. 958; DANNY JOE TOLLISON, OWNER; KENNETH AND MARY WISE, APPLICANT/DEVELOPER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (4400 BLOCK OF LESLIE LANE)

The City Council approved the Final Plat of the Wise Addition in the City's Extra Territorial Jurisdiction, being a 1.108 acre tract, located in the 4400 block of Leslie Lane.

The owner would like to replat the property into one lot for residential development.

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

CITIZENS REQUESTS

TEXOMA COUNCIL OF GOVERNMENTS NATIONAL SERVICE RECOGNITION DAY

Sean Norton, 1520 Yarborough Drive, appeared representing the Texoma Council of Governments. He thanked Council Members for their service.

He said "National Service Recognition Day" will be held on April 3, 2018, and is an initiative led by the Corporation for National and Community Service, the National League of Cities, the National Association of Counties, and Cities of Service.

Leaders across the Country use National Service more and more to help solve their community's toughest challenges. Each year millions of Americans are engaged in service at more than 50,000 locations.

TCOG operates a Senior Corps Program, which includes RSVP, the Senior Volunteer Program, and the Foster Grandparent Program.

MEDIA QUESTIONS

There were no media questions.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

MAIN STREET ADVISORY BOARD (3)

ACTION TAKEN.

Motion by Council Member Stevenson to reappoint Sarah Campbell Stevens and Verna Gilbert-Morneau and to

APPROVE FINAL PLAT
(WISE ADDITION)

TCOG NATIONAL
SERVICE
RECOGNITION
DAY

MEDIA QUESTIONS

MAIN STREET
ADVISORY BOARD

COUNCIL MINUTES – MARCH 19, 2018

appoint Nancy Sims, to the Main Street Advisory Board, for a term from March 31, 2018 to March 31, 2020. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

COUNCIL COMMENTS

NEW BABY

Council Member Stevenson said this will be his last Council Meeting as the father of one and if he's not at the next Meeting, they will know why.

NEW BABY

THANKS TO POLICE AND FIRE DEPARTMENTS

Council Member Sofey commended the Fire and Police Departments on their handling of a recent vehicle accident downtown. The accident was in front of his office and the vehicle struck several other vehicles and the front of a building. He witnessed, first hand, how the officers handled the situation and said it was "first class."

THANKS TO POLICE & FIRE DEPARTMENTS

BEST OF TEXOMA

Council Member Teamann said he also appreciated the work the Police and Fire Departments were doing, adding that they are trying to make Sherman a "better place."

BEST OF TEXOMA

He recognized Brandon Toney, Police Sergeant, and Billy Bob Hartsfield, Fire Captain, who were recognized by citizens and nominated for the Herald Democrat's "Best of Texoma."

THANKS TO NATE STRAUCH

Council Member Teamann thanked Mr. Strauch for the work he is doing to clean up the City through the Neighborhood Refresh Program

THANKS TO NATE STRAUCH

ANNUAL AUDIT

Council Member Holland recognized Ms. Lawrence and the Finance Department for their work on the City's Annual Audit. He also recognized Adami, Lindsey and Company for their work on the Audit.

ANNUAL AUDIT

ANNOUNCEMENTS

Mayor Plyler announced the following:

- Parks and Recreation will hold a Flashlight Egg Hunt on March 23, 2018 at 8:30 p.m. at Pecan Grove Park West.
- Parks and Recreation will hold the Eggstravaganza Easter Egg Hunt on March 24, 2018 at 10:00 a.m. at Pecan Grove Park West.
- Sherman Celtic Festival will be held on March 24, 2018 from 9:00 a.m. until 9:00 p.m. at Texoma Home Health.

ANNOUNCEMENTS

COUNCIL MINUTES – MARCH 19, 2018

- They are close to announcing the line-up for the Hot Summer Nights concert series. The list will be released at Coffee With the Mayor on April 6, 2018.
- Craft the Night Away will be held on April 7, 2018 from 5:00 p.m. until 9:00 p.m. in Downtown Sherman.

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

EXECUTIVE SESSION

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

SECTION 551.071 – CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION

SECTION 551.071 -- CONSULT WITH THE CITY ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THIS CHAPTER

SECTION 551.087 -- DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS: DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECT

Mayor Plyler said no Executive Session was needed.

COUNCIL MINUTES – MARCH 19, 2018

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:44 p.m.

ADJOURNMENT

MAYOR

CITY CLERK

Grayson County Thoroughfare Plan



Sherman City Council

March 19, 2018

AGENDA

Sherman City Council

- Introduction
- Project Status
- Thoroughfare Plan Preparation
- DRAFT Thoroughfare Plan
- Potential Funding Sources
- Next Steps
- Questions and Comments

Purpose of Thoroughfare Plan

- **Identify transportation needs to serve future growth.**
- **Preserve corridors and acquire right-of-way for planned facilities as development occurs.**
- **Guide public investments in improving transportation facilities and services.**

What is the Thoroughfare Plan?

What is the Thoroughfare Plan?

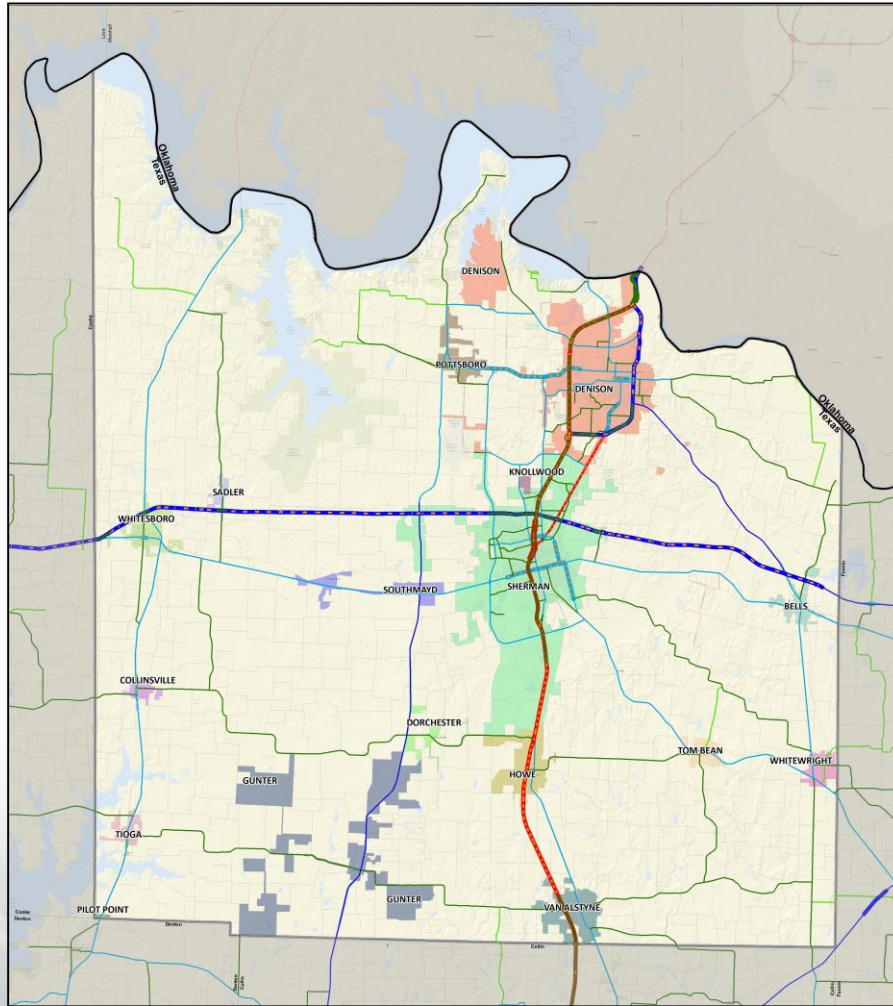
- Plan to develop road network to serve short and long-range growth
- a tool to coordinate with cities and other agencies
- a planning tool that needs to be updated every 5 to 7 years
- a means to preserve corridors and obtain needed ROW

What the Thoroughfare Plan is not.

- Not a Bond Program nor Capital Improvement Program
- Not the total solution to the County's future transportation challenges

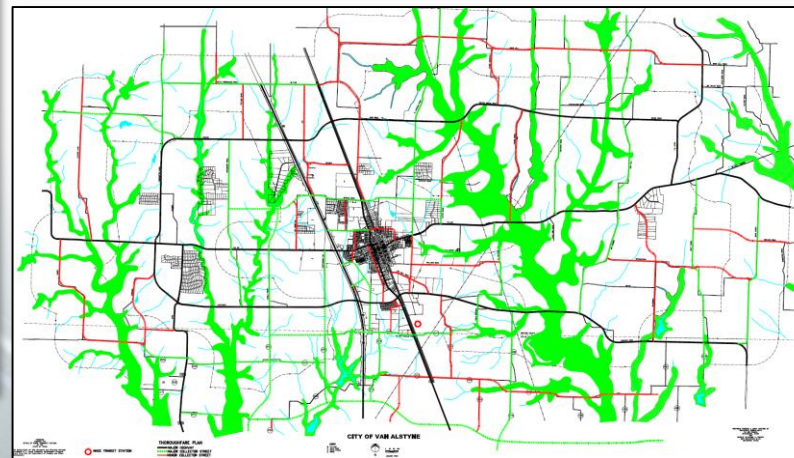
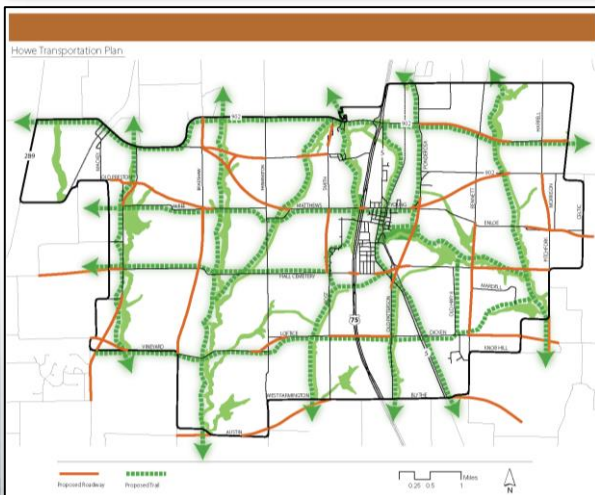
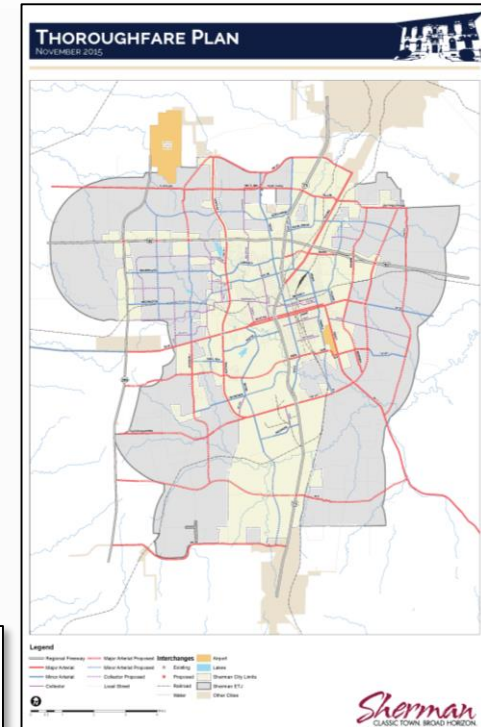
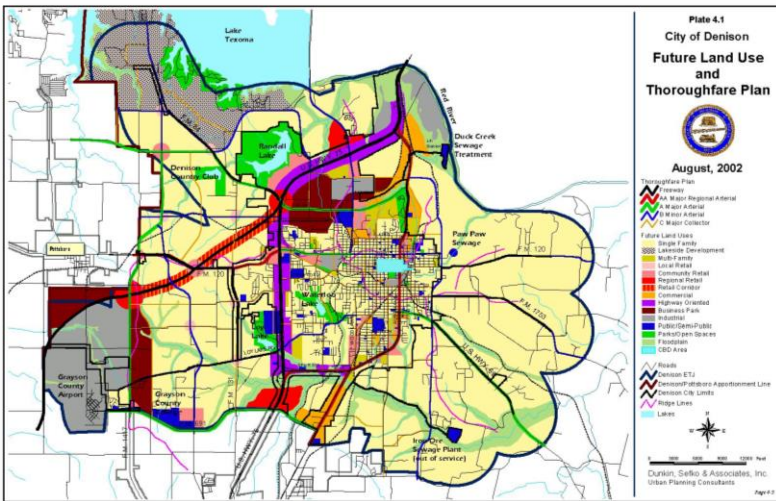
Study Area

Grayson County Thoroughfare Plan

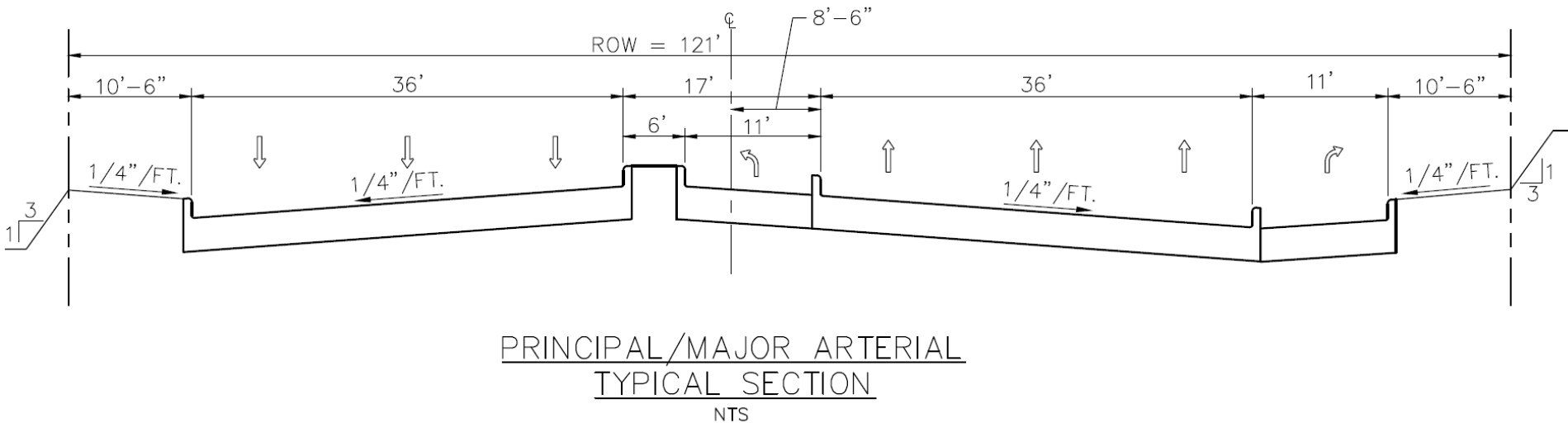


- 979 Sq. Miles
- Population 120,877 (2010)
- Households 42,849 (2010)
- 17 Municipalities

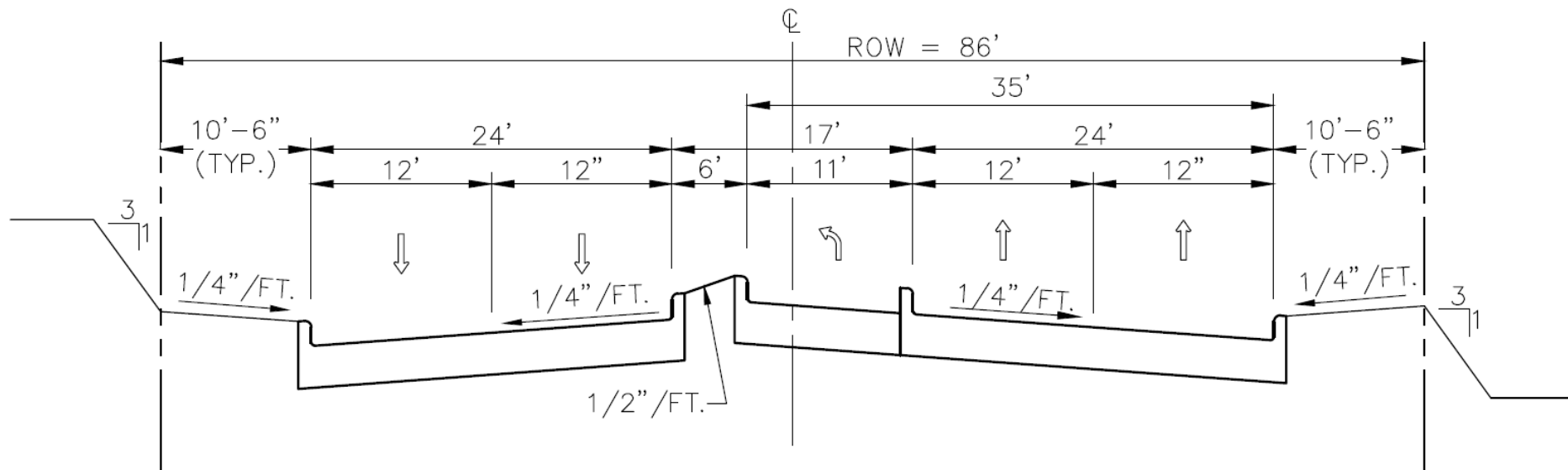
City Thoroughfare Plans



Typical Roadway Sections and Design Standards

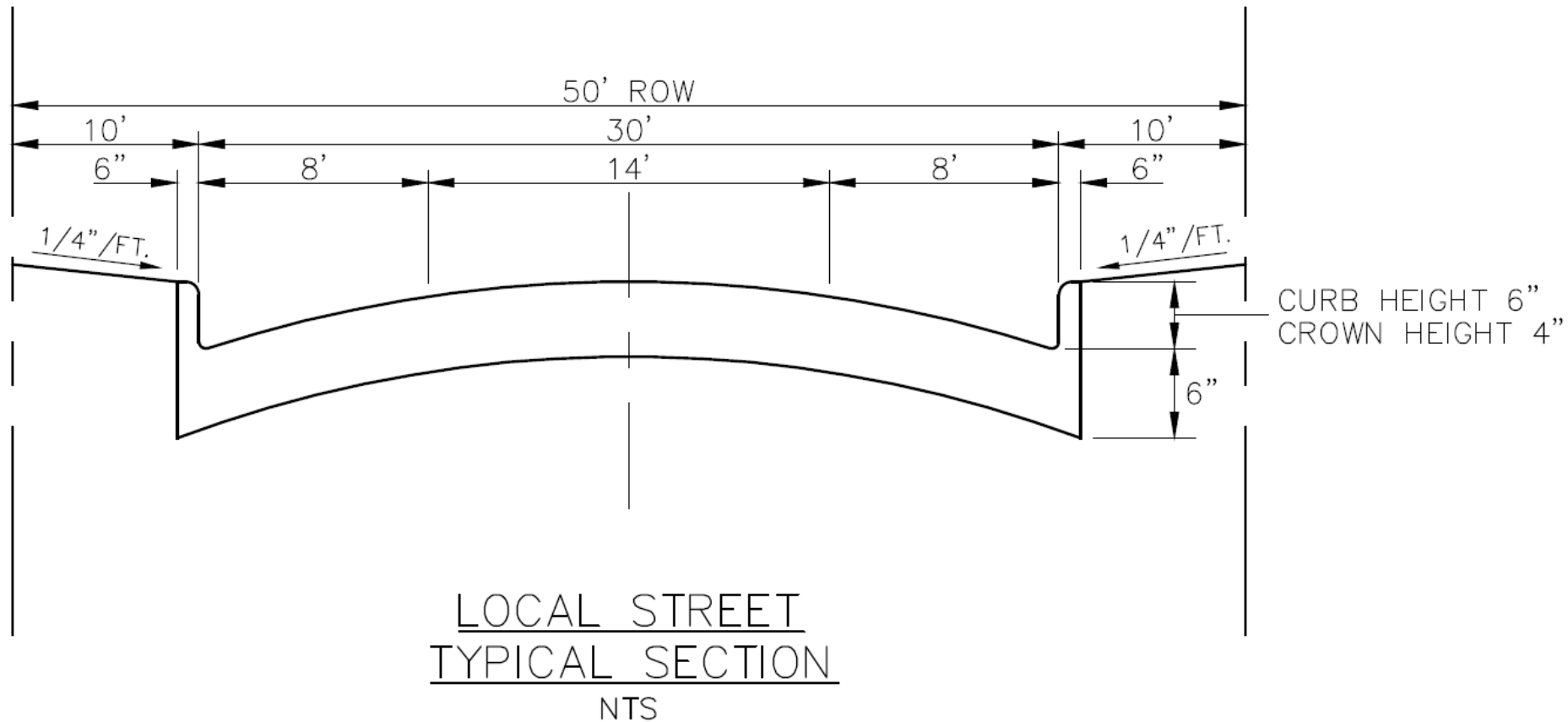


Typical Roadway Sections and Design Standards

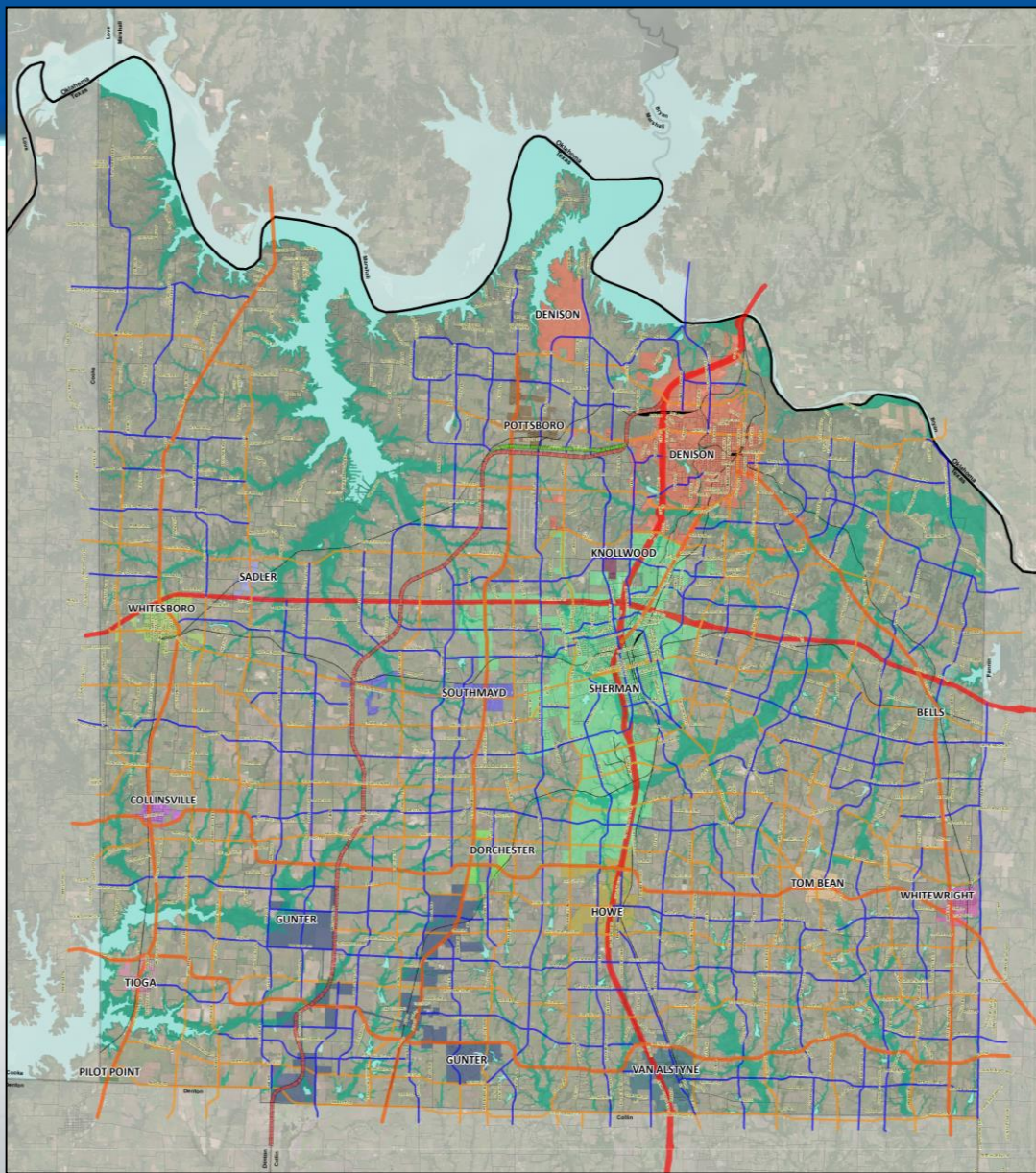


MINOR ARTERIAL
TYPICAL SECTION
NTS

Typical Roadway Sections and Design Standards



DRAFT Grayson County Thoroughfare Plan



- Tollways
- Freeways
- Principal Arterials
- Major Arterials
- Minor Arterials

Major Thoroughfares

North – South East – West

- | | |
|----------|----------|
| • SH160 | • FM 121 |
| • US 69 | • FM 902 |
| • US 75 | • US 82 |
| • SH 289 | • GCT |
| • GCT | |
| • US 377 | |

Next Steps – Thoroughfare Plan

- Comments
- Municipalities
- Travel Demand Model Update

Funding Sources – Traditional

- Developer Funding
- City or County Bonds
- County Vehicle Registration Fee Optimization
- Tolling – Regional Mobility Authority
- Transit Funding
- TxDOT – Federal Funding
 - Cat 1 – Preventive Maintenance and Rehabilitation
 - Cat 2 – Metropolitan and Urban Corridor Projects
 - Cat 4 – Statewide Connectivity Corridor Projects

Funding Sources – Traditional *(Continued)*

- TxDOT – Federal Funding *(continued)*
 - Cat 6 – Structures Replacement and Rehabilitation
 - Cat 7 – Metropolitan Mobility and Rehabilitation
 - Cat 8 – Safety
 - Cat 9 – Transportation Alternatives Program
 - Cat 10 – Supplemental Transportation Projects (Landscaping, RR, ADA Curb Ramps, etc.)
 - Cat 11 – District Discretionary
 - Cat 12 – Commission Strategic Priority

Funding Sources – Non-Traditional

- Tolling – Private Developer (City of Cibolo Example)
- Congressional or Legislative Priority Funding
- County Vehicle Registration Fee Optimization
- Transportation Reinvestment Zone (TRZ)
- Right of Way Purchase – Utility Relocation
- State Infrastructure Bank Loan
- Transportation Development Credits
(Local match for Federal Funds)
- Potential New Federal Funding Program

Funding Sources – Next Steps

- Meet with TxDOT Paris District to identify existing and other potential funding sources
- Meet with TxDOT TPP Division to further discuss funding sources
- Once projects identified – Identify funding sources and evaluate opportunities to leverage funding to expedite or fund additional projects

QUESTIONS AND COMMENTS

Clay Barnett

903-813-5275

barnettc@co.grayson.tx.us

Supporting Slides (if needed)

Supporting Slides (if needed)

FIGURE 7

TxDOT Funding Sources and Categories

FEDERAL FUNDS

- ▶ Federal programs eligible for reimbursement

STATE HIGHWAY FUNDS

- ▶ Includes federal programs eligible for reimbursement
- ▶ Provides the required match on federally funded projects

NON-TRADITIONAL FUNDS

- ▶ Texas Mobility Fund
- ▶ Proposition 12
- ▶ Proposition 14
- ▶ Concessions/regional toll revenue
- ▶ Local Funds

12

TxDOT FUNDING CATEGORIES

- 1 Preventive Maintenance and Rehabilitation
- 2 Metropolitan and Urban Area Corridor Projects
- 3 Non-Traditionally Funded Transportation Projects
- 4 Statewide Connectivity Corridor Projects
- 5 Congestion Mitigation and Air Quality Improvement
- 6 Structures Replacement and Rehabilitation
- 7 Metropolitan Mobility and Rehabilitation
- 8 Safety
- 9 Transportation Alternatives Program
- 10 Supplemental Transportation Projects
- 11 District Discretionary
- 12 Strategic Priority

Overview of Project Selection by Category

The following table presents how funding is distributed, whether by allocation or project specific, to the responsible parties for project selection for each of the 12 Funding Categories.

Funding Category	Project Selection
1 - Preventive Maintenance and Rehabilitation	Projects selected by districts. The Texas Transportation Commission allocates funds through a formula allocation program.
2 - Metropolitan and Urban Area Corridor Projects	Projects selected by MPOs in consultation with TxDOT. The Texas Transportation Commission allocates funds through a formula allocation program.
3 - Non-Traditionally Funded Transportation Projects	Projects determined by legislation, Texas Transportation Commission approved Minute Order, and local government commitments.
4 - Statewide Connectivity Corridor Projects	Corridors are selected by the Commission based on engineering analyses of three corridor types; mobility, connectivity, and strategic. Funds are allocated by Commission to TxDOT districts. Districts select projects along approved corridors in consultation with MPO's, the Transportation Planning and Programming Division (TPP), and TxDOT Administration using a performance-based evaluation.
5 - Congestion Mitigation and Air Quality Improvement	Projects selected by MPOs in consultation with TxDOT. The Texas Transportation Commission allocates funds distributed by population and weighted by air quality severity to non attainment areas. Non-attainment areas are designated by the U.S. Environmental Protection Agency (EPA).
6 - Structures Replacement and Rehabilitation	Projects selected by the Bridge Division (BRG) based on a listing of eligible bridges prioritized first by deficiency categorization (structurally deficient followed by functionally obsolete) and then by sufficiency ratings. Railroad grade separation projects are selected based on a cost-benefit index rating. Projects in the BMIP are selected statewide based on identified bridge maintenance/improvement needs to aid in ensuring the management and safety of the state's bridge assets. The Texas Transportation Commission allocates funds through the Statewide Allocation Program.
7 - Metropolitan Mobility and Rehabilitation	Projects selected by MPOs operating in transportation management areas, in consultation with TxDOT. The Texas Transportation Commission allocates funds through a federal program, distributed to MPOs with an urbanized area population of 200,000 or greater (transportation management areas [TMA's]).

Funding Category	Funding Distribution
8 - Safety	Projects selected statewide by federally mandated safety indices and prioritized listing. Projects selected in the Systemic Widening Program are evaluated by roadway safety features for preventable severe crash types using total risk factor weights. The Texas Transportation Commission allocates funds through the Statewide Allocation Program.
9 - Transportation Alternatives Program	For urbanized areas with populations over 200,000, the MPO through a competitive process selects Transportation Alternatives Set-Aside Program (TA Set-Aside) projects in consultation with TxDOT. Funds allocated to small urban areas and non-urban areas (i.e., areas with populations below 200,000) are administered by TxDOT through a competitive process to be managed by the Public Transportation Division (PTD). TAP project eligibility is determined by TxDOT and FHWA. TxDOT staff makes recommendations to the Texas Transportation Commission for TAP allocation to areas less than 200,000 population. The Texas Transportation Commission, by written order, selects projects for funding under a TxDOT-administered TAP call for projects. Statewide TAP Flex projects are selected by the Texas Transportation Commission.
10 - Coordinated Border Infrastructure Program (CBI), Congressional High Priority Projects, and Federal Lands Access Program (FLAP)	CBI projects selected by districts with FHWA review and approval. Discretionary funds are congressionally designated. In FLAP, project applications are scored and ranked by the Programming Decision Committee (PDC). Members of the PDC include a representative from FHWA, a representative from TxDOT, and a member from a political subdivision of the state. Projects selected under FLAP are managed by TPP.
10 - Supplemental Transportation Projects: State Park Roads, Railroad Grade Crossing Replanning, Railroad Signal Maintenance, Landscape Incentive Awards, Green Ribbon Landscape Improvement, and Curb Ramp Program	The Texas Parks and Wildlife Department (TPWD) selects State Park Roads projects in coordination with districts. The TxDOT Rail Division in coordination with districts selects Railroad Grade Crossing Replanning and Railroad Signal Maintenance projects. Landscape Incentive Awards are distributed to 10 locations based on the results of the Keep Texas Beautiful Awards Program and managed by the TxDOT Design Division. Green Ribbon allocations are based on one-half percent of the estimated letting capacity for the TxDOT districts that contain air quality non-attainment or near non-attainment counties and managed by the TxDOT Design Division. Curb Ramp Program projects are selected based on conditions of curb ramps or the location of intersections without ramps, and are managed by the Design Division.
11 - District Discretionary	Projects selected by districts. The Texas Transportation Commission allocates funds through a formula allocation program. A minimum \$2.5 million allocation goes to each district per legislative mandate. The Commission may supplement the funds allocated to individual districts on a case-by-case basis to cover project cost overruns, as well energy sector initiatives.
12 - Strategic Priority	The Texas Transportation Commission selects projects.

Transportation Reinvestment Zone

[Home](#) > [Government](#) > [Programs](#)

The demand for transportation infrastructure has far outpaced the resources of federal, state and local governments. So the Texas Legislature has established innovative methods of developing and financing transportation projects. One such tool local entities use to advance transportation projects is a transportation reinvestment zone (TRZ).

The local governing body designates a zone in which it will promote a transportation project. Once the zone is created, a base year is established, and the incremental increase in property tax revenue collected inside the zone is used to finance a project in the zone.

Eligibility and Program Details

Cities, counties and port authorities have the authority to set up a TRZ.

The city, county or port authority must make the following determinations in order to set up a zone:

- The proposed zone must be deemed underdeveloped.
- The area of the TRZ will 1) promote public safety; 2) facilitate the improvement, development or redevelopment of property; 3) facilitate the movement of traffic; and 4) enhance the local entity's ability to sponsor transportation projects.

Many local governments are familiar with tax increment reinvestment zones (TIRZ) and tax increment financing (TIF), but the TRZ is a recently created tool that allows for a broader range of transportation projects. A TRZ also does not require the local entity to create a board.

Process Overview

To establish a Transportation Reinvestment Zone:

1. Identify project/needs
2. Research for zone formation
3. Define boundaries
4. Hold public hearing
5. Pass the ordinance or order
6. Establish base year for tax collection
7. Determine tax increment through feasibility study for financing portion of project
8. Establish funding mechanism

Local Fee: The local fee is comprised of one or more fees assessed by your county of registration. Local fees vary from county to county and are established by county Commissioner's Courts. The amount listed under local fees may range from \$0 to \$31.50 depending on your county of registration.

All counties may charge a fee of up to \$10 for deposit into their county road and bridge fund. Certain counties are permitted to assess an additional fee for transportation not to exceed \$20 to fund long-term transportation projects in the county. All counties may also assess a child safety fee of up to \$1.50 to promote child safety programs including health and nutrition education and school crossing guards. For more information, please see our current registration fee chart at the bottom of this page.

2016 - 130,070 Vehicles Registered in Grayson County

TEXAS REGISTRATION FEES

EFFECTIVE January 1, 2018

EXPIRES December 31, 2018

STATE LAW ALLOWS THE COLLECTION OF LOCAL FEES AT THE TIME OF VEHICLE REGISTRATION

Below are local fees collected with vehicle registration fees through the County Tax Assessor-Collector's office.

The total fee on the registration renewal notice includes applicable local fees.

Anderson \$10.25	Brazos \$11.50	Coke \$10	Denton \$11.50	Freestone \$10	Harris \$11.50	Jasper \$10	Lampasas \$11.50	McLennan \$11.50	Orange \$10	Rusk \$11	Taylor \$10	Wharton \$10
Andrews \$7	Brewster \$10	Coleman \$10	DeWitt \$10	Frio \$11.50	Harrison \$11.50	Jeff Davis \$11.50	La Salle \$10	McMullen 0	Palo Pinto \$10	Sabine \$11	Terrell \$10	Wheeler \$6.50
Angelina \$10	Briscoe \$10	Collin \$11.50	Dickens \$10	Gaines 0	Hartley \$10	Jefferson \$10	Lavaca \$10	Medina \$10	Panola \$1.50	San Augustine \$11.50	Terry \$10	Wichita \$10
Aransas \$10	Brooks \$11.50	Collingsworth \$10	Dimmitt \$11.50	Galveston \$10	Haskell \$10	Jim Hogg \$11.50	Lee \$10	Menard \$11.50	Parker \$10	San Jacinto \$11.50	Throckmorton \$10	Wilbarger \$10
Archer \$10	Brown \$11.50	Colorado \$10	Donley \$10	Garza \$10	Hays \$10	Jim Wells \$11.50	Leon \$10	Midland \$10	Parmer \$10	San Patricio \$11.50	Titus \$10	Willacy \$10
Armstrong \$10	Burleson \$10.75	Comal \$11.50	Duval \$10	Gillespie \$11.50	Hemphill \$5	Johnson \$11.50	Liberty \$10	Milam \$10	Pecos \$10	San Saba \$10	Tom Green \$11.50	Williamson \$11.50
Atascosa \$10	Burnet \$11.50	Comanche \$10	Eastland \$10	Glasscock \$10	Henderson \$10	Jones \$10	Limestone \$10	Mills \$11.50	Polk \$11.50	Schleicher \$10	Travis \$11.50	Wilson \$10
Austin \$10	Caldwell \$11.50	Concho \$10	Ector \$10	Goliad \$10	Hidalgo \$20	Karnes \$10	Lipscomb \$10	Mitchell \$10	Potter \$10	Scurry \$10	Trinity \$11.50	Winkler \$7.50
Bailey \$10	Calhoun \$10	Cooke \$10	Edwards \$11.00	Gonzales \$10	Hill \$10	Kaufman \$11.50	Live Oak \$10	Montague \$10	Presidio \$10	Shackelford \$10	Tyler \$11	Wise \$10
Bandera \$10	Callahan \$10	Coryell \$10	Ellis \$10	Gray \$10	Hockley \$10	Kendall \$11	Llano \$11.50	Montgomery \$10	Rains \$11.50	Shelby \$11.50	Upshur \$10	Wood \$10
Bastrop \$10	Cameron \$21.50	Cottle \$10	El Paso \$20	Grayson \$10	Hood \$10	Kenedy 0	Loving 0	Moore \$10	Randall \$10	Sherman \$10	Upton \$5	Yoakum \$10
Baylor \$10	Camp \$10.50	Crane 0	Erath \$10	Gregg \$9	Hopkins \$10	Kent 0	Lubbock \$10	Morris \$10	Reagan \$10	Smith \$11.50	Uvalde \$10	Young \$10
Bee \$10	Carson \$10	Crockett \$5	Falls \$11	Grimes \$10	Houston \$10	Kerr \$10	Lynn \$10	Motley \$10	Real \$10	Somervell \$10	Val Verde \$10	Zapata \$11.50
Bell \$11.50	Cass \$10	Crosby \$10	Fannin \$10	Guadalupe \$11.50	Howard \$10	Kimble \$10	Madison \$10	Nacogdoches \$10	Red River \$10	Starr \$10	Van Zandt \$11.50	Zavala \$11.50
Bexar \$21.50	Castro \$10	Culberson \$10	Fayette \$10	Hale \$10	Hudspeth \$10	King 0	Marion \$10	Navarro \$10	Reeves \$10	Stephens \$10	Victoria \$10	
Blanco \$11.50	Chambers \$11	Dallam \$10	Fisher \$10	Hall \$10	Hunt \$11	Kinney \$10	Martin \$10	Newton \$10	Refugio \$10	Sterling 0	Walker \$10	
Borden 0	Cherokee \$10	Dallas \$10	Floyd \$10	Hamilton \$10	Hutchinson \$10	Kleberg \$10	Mason \$11.50	Nolan \$10	Roberts \$5	Stonewall \$10	Waller \$10	
Bosque \$10	Childress \$10	Dawson \$10	Foard \$10	Hansford \$10	Inion \$10	Knox \$10	Matagorda \$10	Nueces \$10	Robertson \$11.50	Sutton \$10	Ward 0	
Bowie \$10	Clay \$10	Deaf Smith \$10	Fort Bend \$11.50	Hardeman \$10	Jack \$10	Lamar \$10	Maverick \$11.50	Ochiltree \$10	Rockwall \$10	Swisher \$10	Washington \$10	
Brazoria \$10	Cochran \$10	Delta \$10	Franklin \$10	Hardin \$10	Jackson \$10	Lamb \$10	McCulloch \$11.50	Oldham \$10	Runnels \$10	Tarrant \$10	Webb \$20	

2016 - 130,070 Vehicles Registered in Grayson County



Neighborhood Refresh

March, 2018 Update

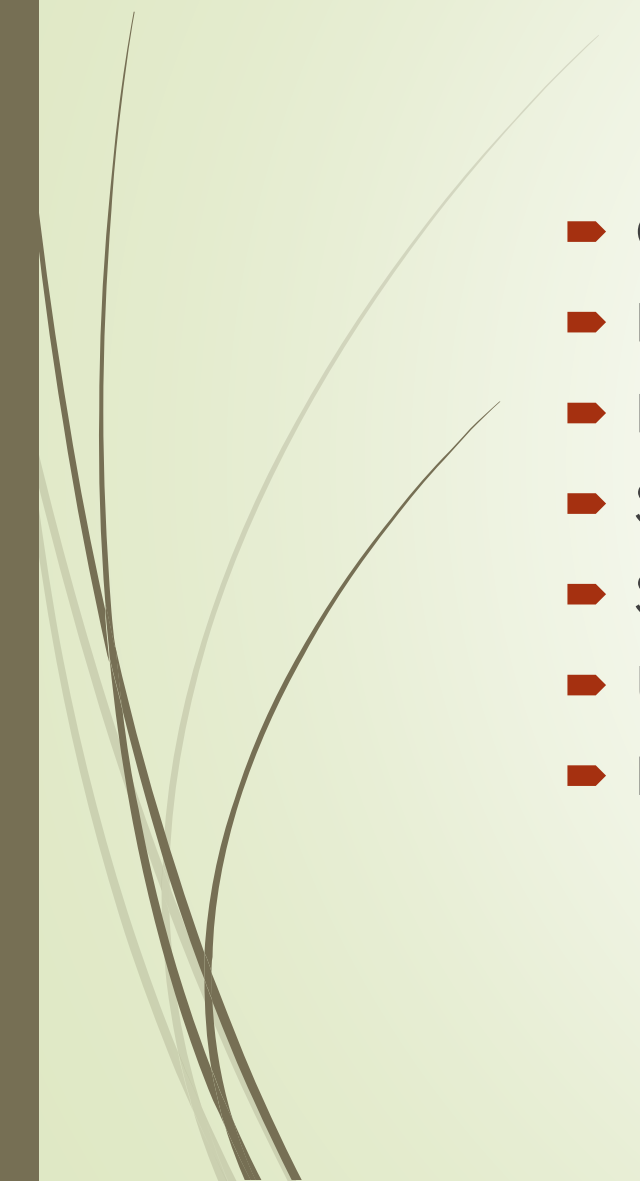


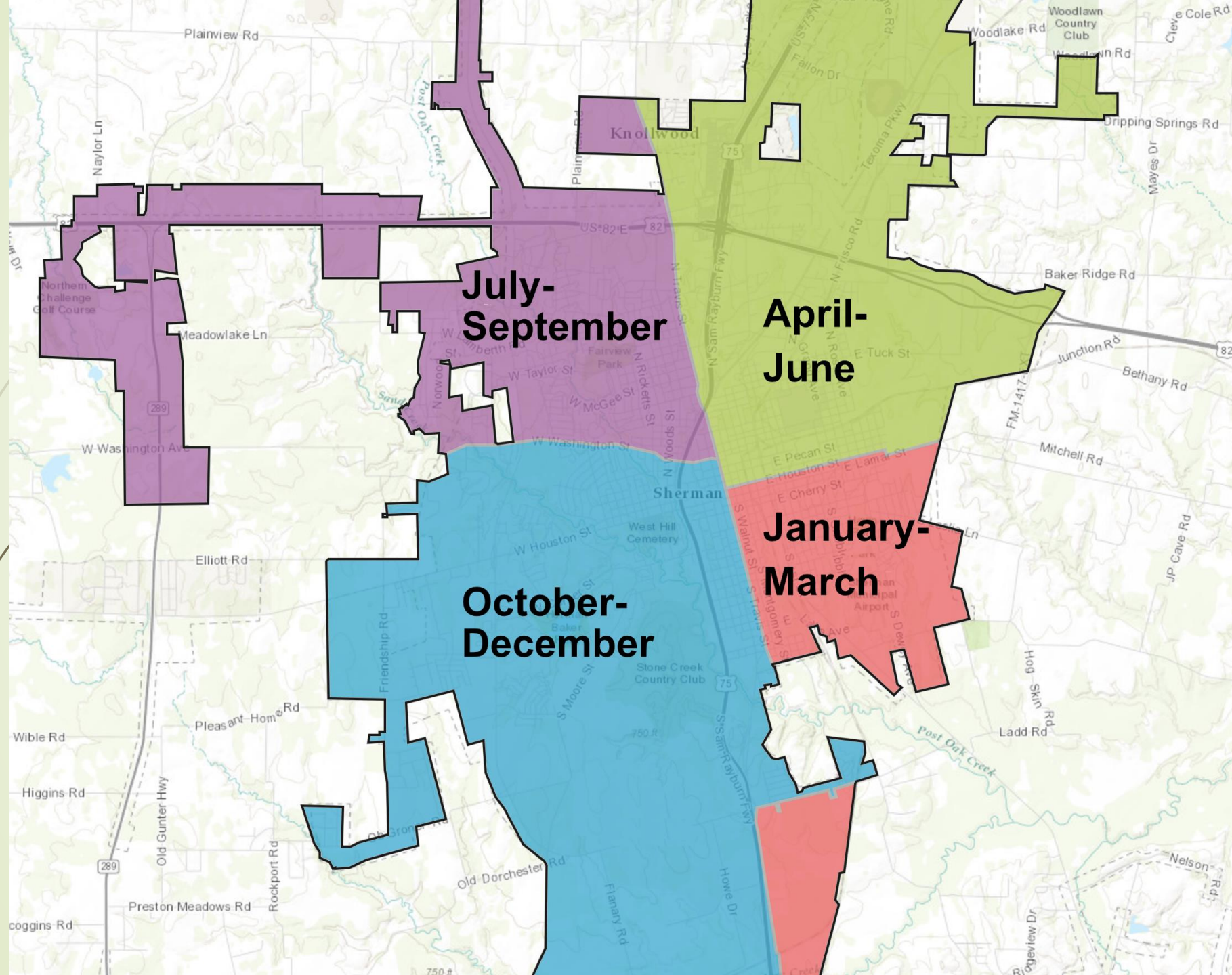
Cleaning up the city

- One of the Council's priorities during the 2018 budget process was the creation of an initiative to help clean up blighted properties around Sherman.
- Areas of highest concern included:
 - Trash and junk in yards
 - Decrepit vehicles in yards and on the street
- Council desired a move from reactive efforts to proactive efforts in the worst-case properties.
- Staff desired a way to increase communication among departments to facilitate that goal and speed-up positive outcomes
- The program focuses proactive efforts of city departments on one quarter of the city, each quarter of the year



Departments involved

- Code enforcement (junk trash and debris)
 - Police (junk vehicles, compliance)
 - Fire
 - Substandard structures
 - Streets (potholes, sign replacement)
 - Utilities (water consumption, shut-off)
 - P&Z (permitting)
- 



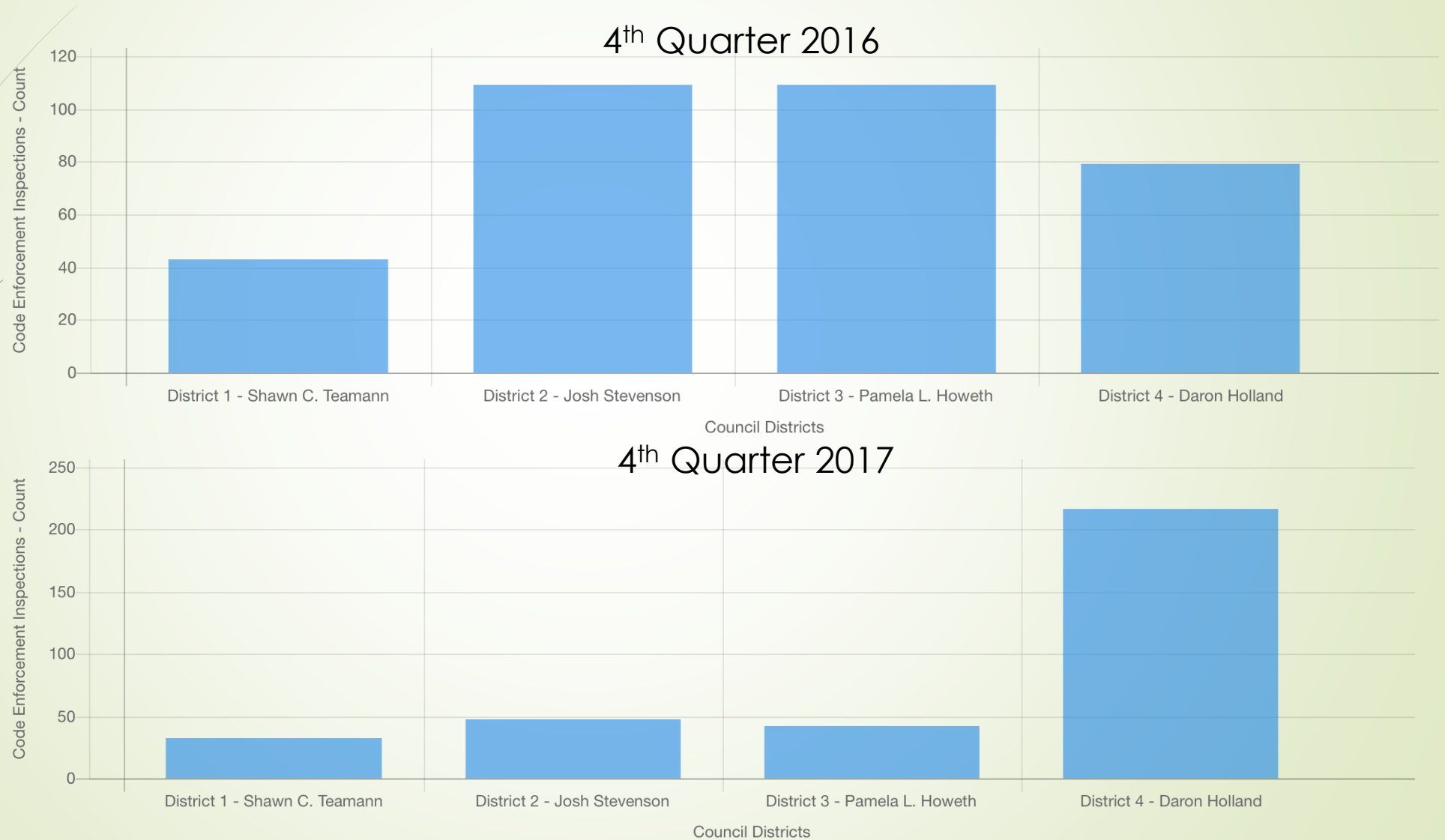


Goals

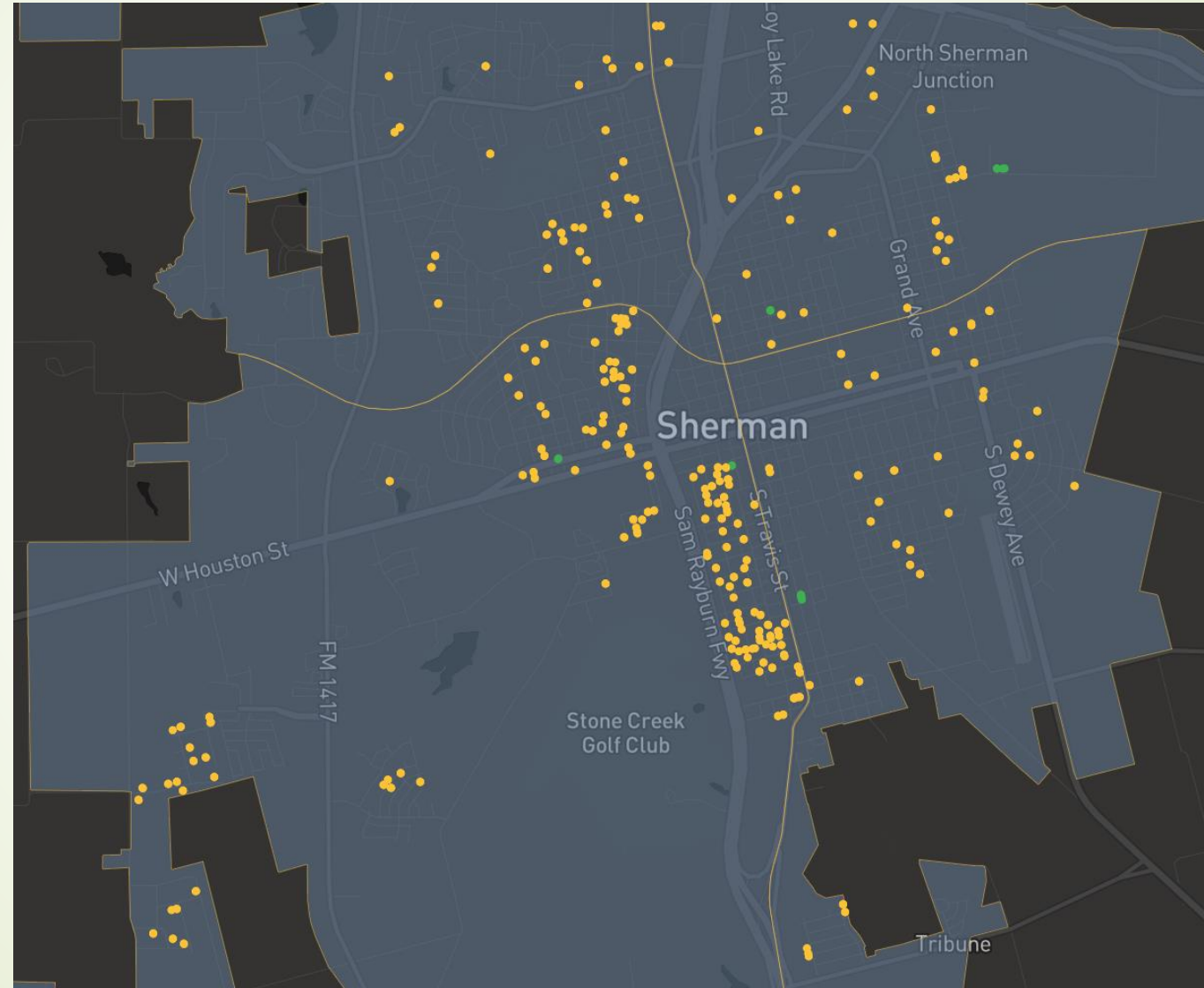


- ▶ Nicknamed the "Neighborhood Refresh Initiative," we had goals:
 - ▶ Jumpstart clean-up efforts
 - ▶ Seek voluntary compliance where possible
 - ▶ Overall, improve quality of life
- ▶ How do we achieve those goals?
 - ▶ Focused enforcement – don't overwhelm limited staff
 - ▶ Consolidate disparate databases for tracking and communications
 - ▶ Break down information silos among city departments
 - ▶ Enter, Tolemi, stage left

Focused Enforcement



Focused Enforcement





Before/After



800 block of Ellis St



1300 block of Walnut St



1400 block of Austin St



1500 block of Houston St



1600 block of Houston St



3100 block of Carolina St



1700 block of Crockett St

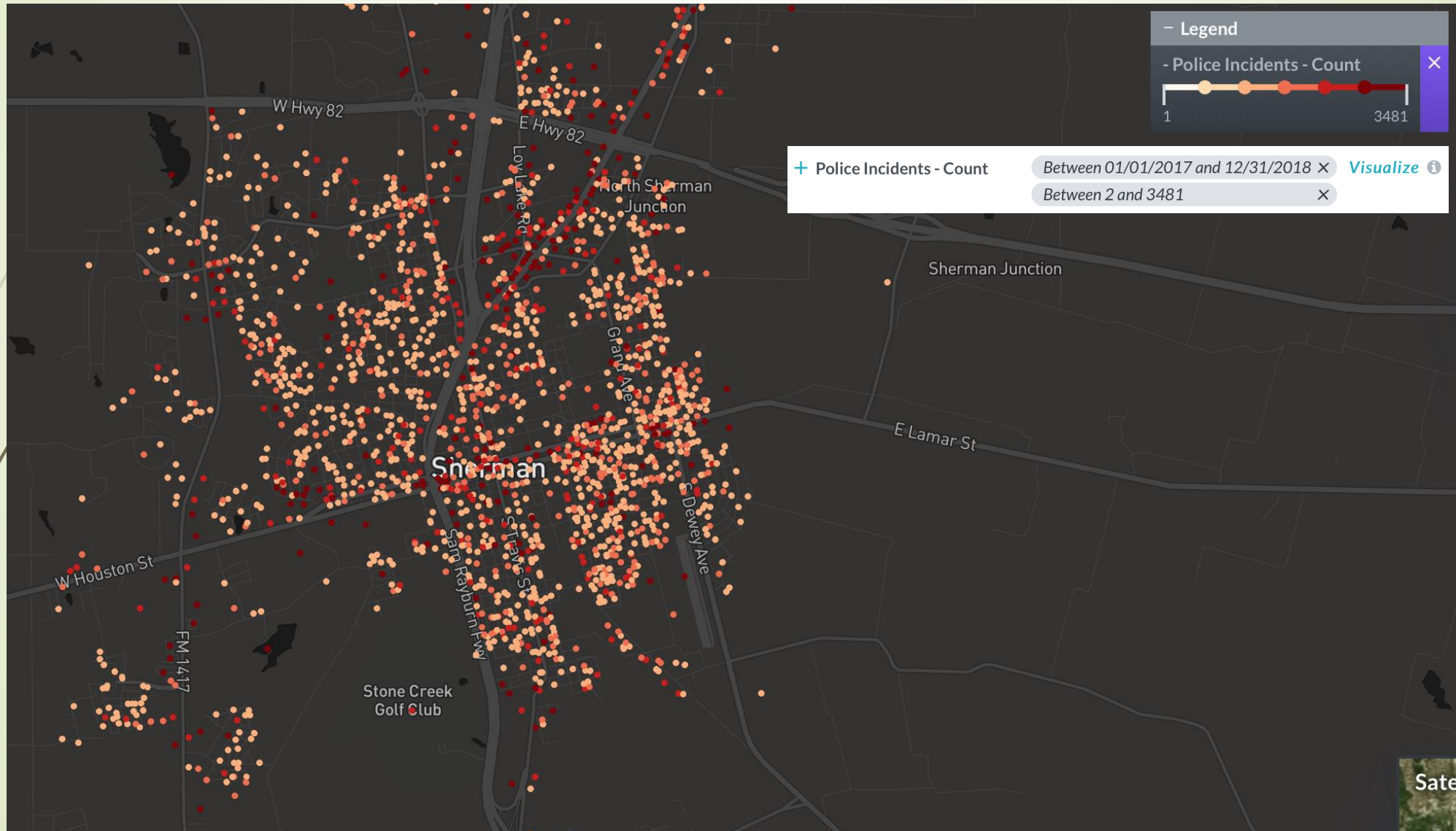


BuildingBlocks

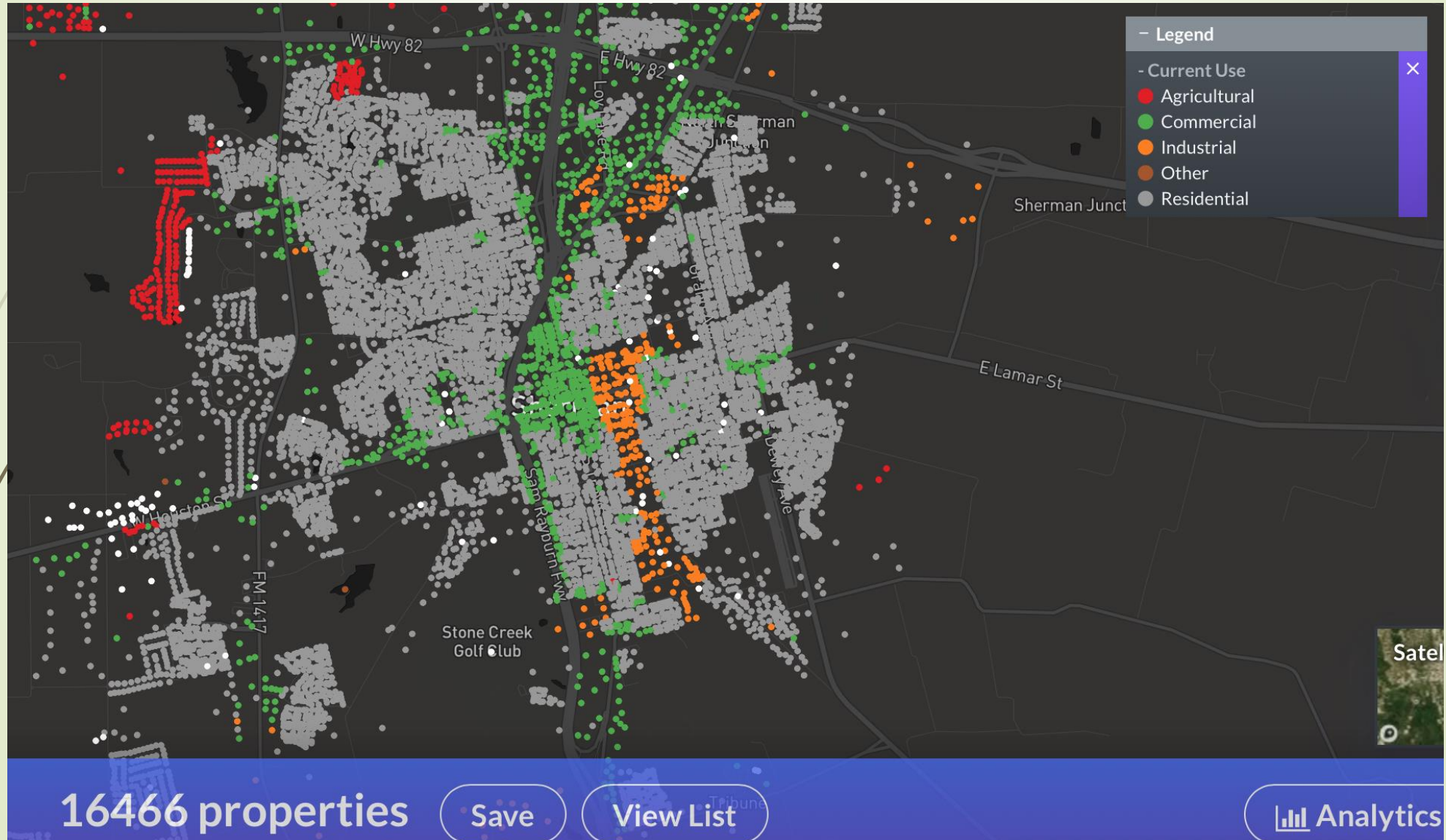


- Software allows data from several departments to coexist in single map-based user interface
- Data is pulled from seven city departments, County property tax records, and US Census data
- Data can be “**visualized**,” showing a heat map of the city
- Data sets can be **cross-referenced** against one another
- Individual properties can be viewed from a “**top down**” **view**, showing information culled from all databases in one place
- **Spatial tools** allow for neighborhood analytics

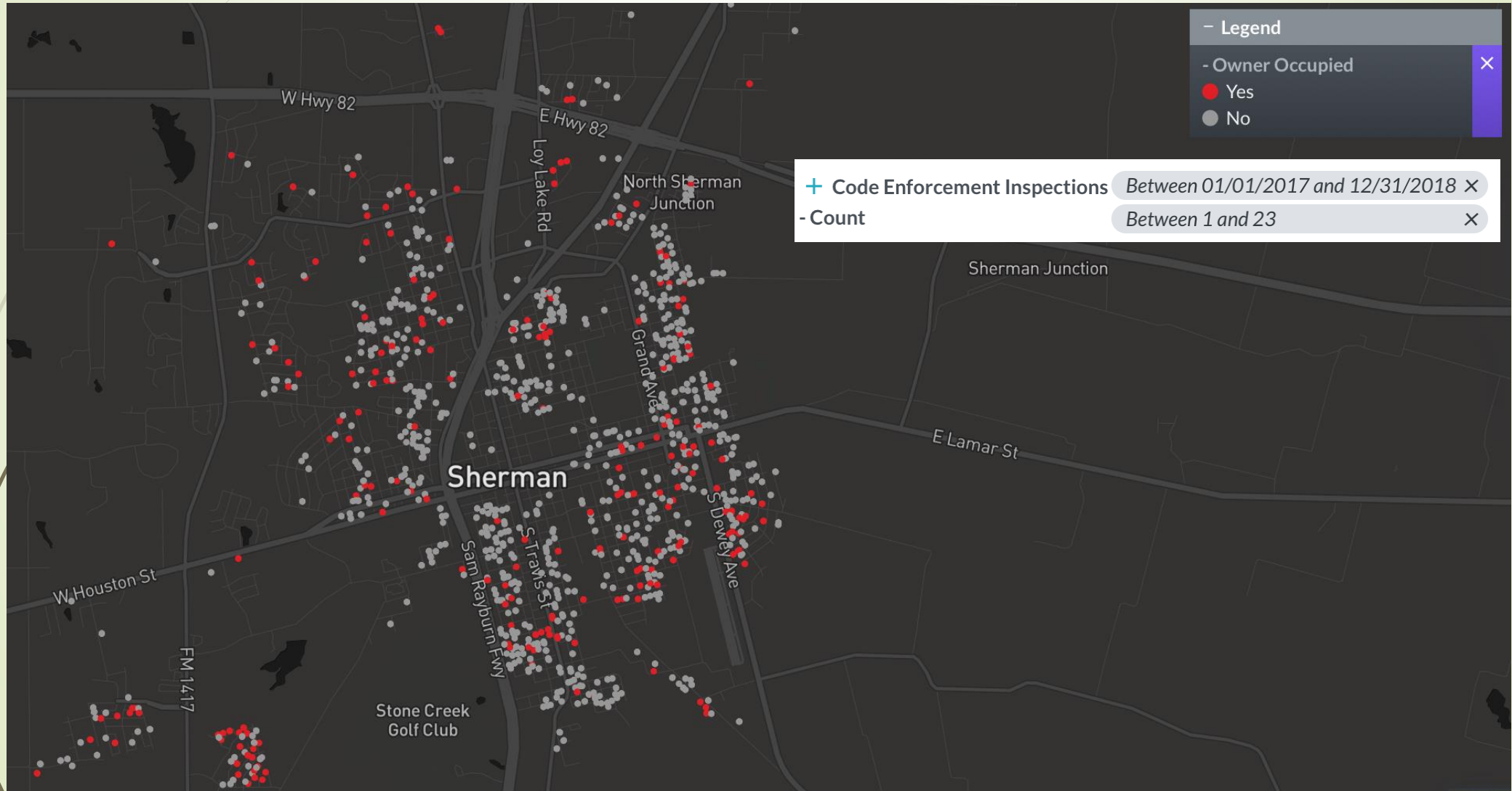
Visualization



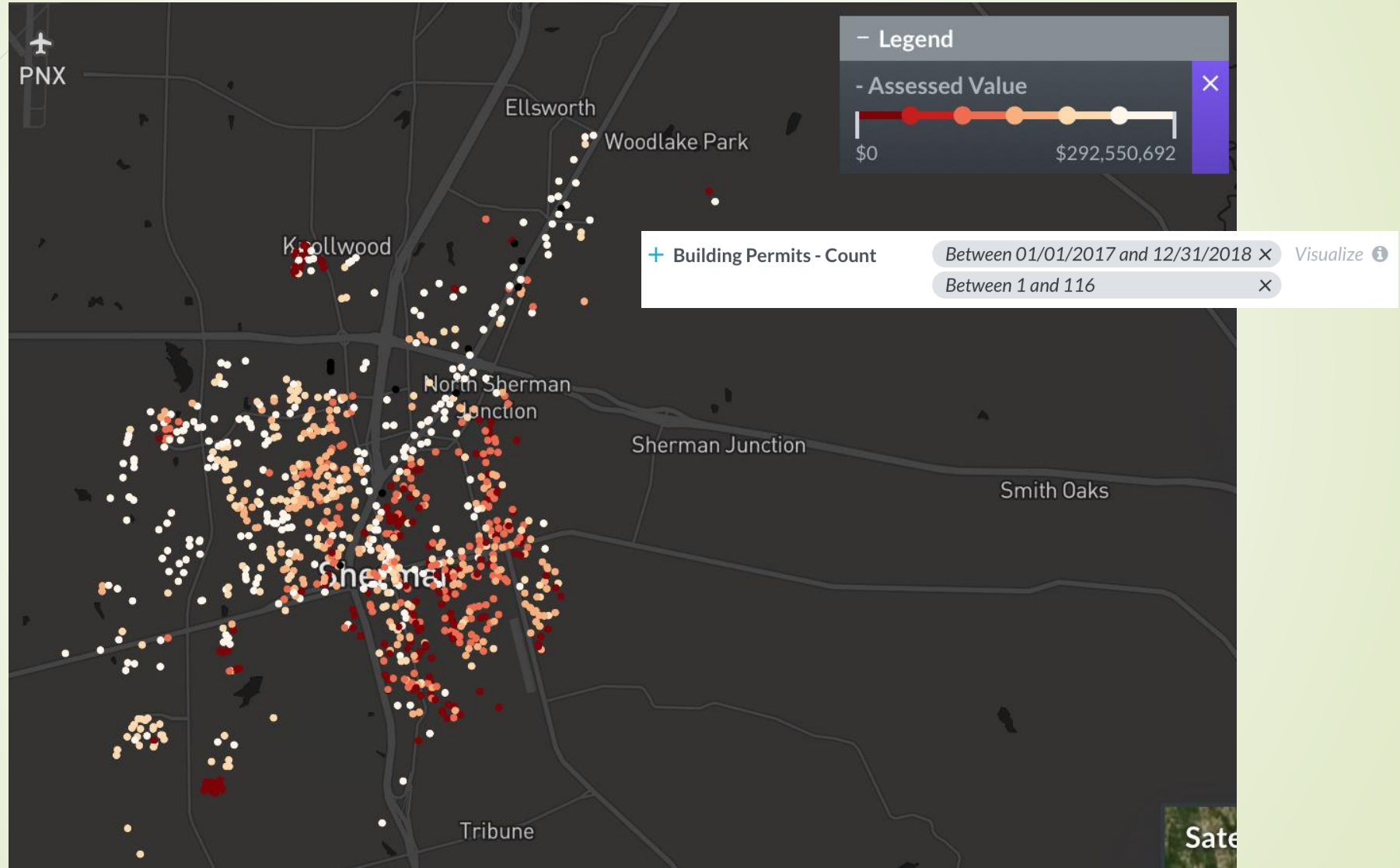
Visualization



Cross-Reference



Cross-Reference



Top-Down View

Parcel Data

Current Use	Residential - One Family Residential District
Owner Occupied	No
Land Size	0.40 acres
Zoning	R-1
Type	Structure
Parcel ID	159049

Location

Block Group Data

2017	 	▼
2016	 	▼
2015		▼
2014		▼
2013		▼
2012	 	▼
2010		
2009		
2008	 	▼
2007		▼
2006		▼

Top-Down View

Police Case (57)

Number	Date ↓	Type	Count	
2017046906	12/10/2017	ABANDONED VEHICLE	1.00	
2017018689	05/17/2017	CIVIL ISSUE	1.00	
2017018521	05/16/2017	FOLLOW UP	1.00	
2017008575	03/06/2017	WARRANT SERVICE	1.00	
2017004007	01/31/2017	WARRANT SERVICE	1.00	
2017004008	01/31/2017	WARRANT SERVICE	1.00	
2017003857	01/30/2017	MISCELLANEOUS	1.00	
2017003593	01/27/2017	WARRANT SERVICE	1.00	
2017003440	01/26/2017	SHOTS FIRED	1.00	
2017003426	01/26/2017	SHOTS FIRED	1.00	
2017002085	01/16/2017	FOLLOW UP	1.00	

Fire Incident (2)

Top-Down View

2017	Police Case BURGLARY OF RESIDENCE 2017-08-18 Police Case FOLLOW UP 2017-08-08 Police Case BURGLARY OF RESIDENCE 2017-08-07 Permit PLB 2017-07-11 Permit ELE 2017-06-02 Permit MECH 2017-05-30 Permit RADD 2017-05-12
2010	
2009	
2008	

Spatial Tools



Spatial Tools

Clear All ×

Hide Filters ←

0.09 sq. miles selected ×

	Parcel ID ×	Assessed Value ×	Police Incidents - Count ×
☐	158238	\$264,430	1
☐	159030	\$184,038	4
☐	159051	\$212,091	14
☐	159019	\$123,706	2
☐	159022	\$212,673	6
☐	159049	\$27,148	57
☐	158852	\$177,040	1
☐	158457	\$115,546	
☐	158855	\$128,124	2
☐	158850	\$146,528	2
☐	158456	\$99,395	

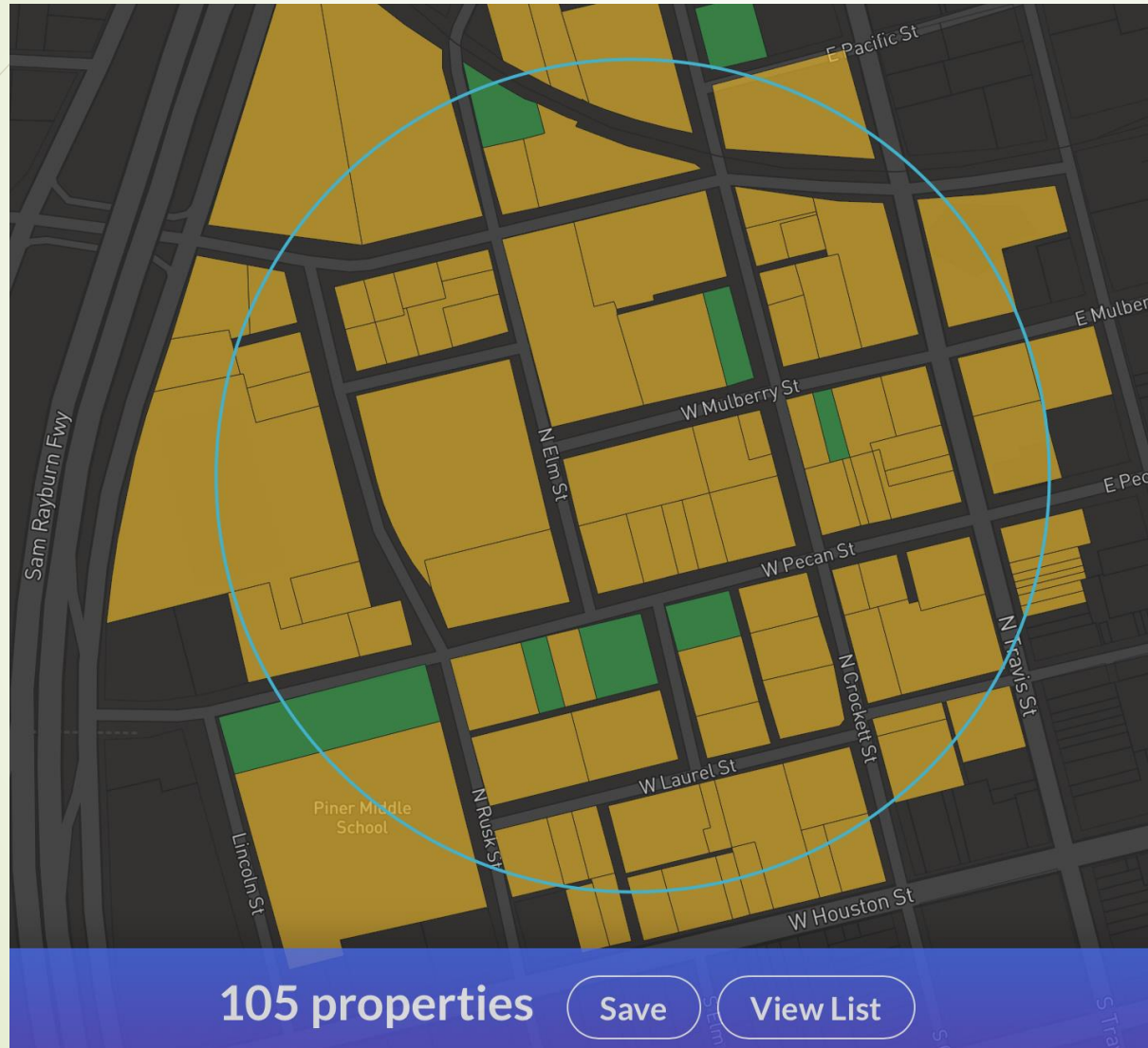
116 properties

Save

View Map

Analytics

Spatial Tools





Additional steps

- Staff changes mean reevaluating department organization
- Currently three different departments manage three aspects of clean-up:
 - CDBG uses federal funds for housing demolition, rehab, non-profit pass-throughs
 - Substandard Structures identifies problem houses, demolishes when appropriate
 - Code Enforcement keeps tabs on blighted properties
- Among the five positions spread across these departments, we've had one retirement, one inter-departmental transfer, and one pending retirement
- So how do we maximize efficiency across those departments, add staff to assist in clean-up efforts, and keep overhead low?

CDBG

Substandard

Code

CDBG

SSS

Code

CDBG

SSS

Code



Organizational changes

- CDBG duties will be split between admin/oversight (.5 FTE) and day-to-day management duties (.5 FTE)
- The Community Development Manager (new hire) will work half-time on substandard structures/CDBG and half-time on Code Enforcement
- Code enforcement will add an additional .5 FTE, with projected budgetary impact less than \$10k
- Code Enforcement will cross-train current management to assist in SSS program
- General Fund budget for 2018 has slack to make the hire immediately



In Conclusion

- External Goals:
 - Focused enforcement: Staff focuses on 1/4 of city at a time
 - Seek voluntary compliance where possible (Approx. 80%)
- Internal Goals
 - Software consolidates multiple databases into one location
 - Allows staff to track city-wide trends across time
 - Top-down view helps break down information silos among city departments, fostering better communication and customer service



In Conclusion

- “Neighborhood Refresh” will continue as planned
 - Tougher enforcement for Year 2?
- BuildingBlocks software will be refined and rolled out across departments
 - Police Department first on the list
- Department restructure will add staffing for these efforts and shore-up existing programs



Questions?



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.1.

Meeting Date: 04/02/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Child Abuse Prevention and Awareness Month" – April 2018

Issue:

To present a proclamation designating April 2018 as "Child Abuse Prevention and Awareness Month" in Sherman

Background:

Each year, April is designated as the month to increase awareness and prevention of child abuse. By promoting safety and awareness, cities can help make a difference in the lives of children across the country. The Children's Advocacy Center works hard to increase awareness of child abuse and to provide investigation, prosecution, and medical and therapeutic treatment of child abuse.

Origination:

The request for this proclamation originated with the Grayson County Children's Advocacy Center.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

It is the recommendation of the staff to present a proclamation proclaiming April 2018 as "Child Abuse Prevention and Awareness Month."

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Child Abuse Prevention and Awareness Month" Proclamation



Proclamation

WHEREAS, more than 63,657 cases of child abuse and neglect were confirmed in Texas during the fiscal year of 2017, and

WHEREAS, child abuse prevention is a community responsibility, and finding solutions depends on involvement among all people, and

WHEREAS, effective child abuse prevention programs succeed because of partnerships among a variety of entities including but not limited to, schools, religious organizations, law enforcement agencies, child protective services, prosecution agencies, medical professionals, mental health professionals, children's advocacy centers, and other community-based, non-profit organizations, and

WHEREAS, everyone in the community should become more aware of child abuse prevention and consider helping parents raise their children in safe, nurturing environments as well as supporting local professionals dedicated to meeting the needs of child abuse victims.

NOW THEREFORE, I, David Plyler, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim April 2018

CHILD ABUSE PREVENTION AND AWARENESS MONTH

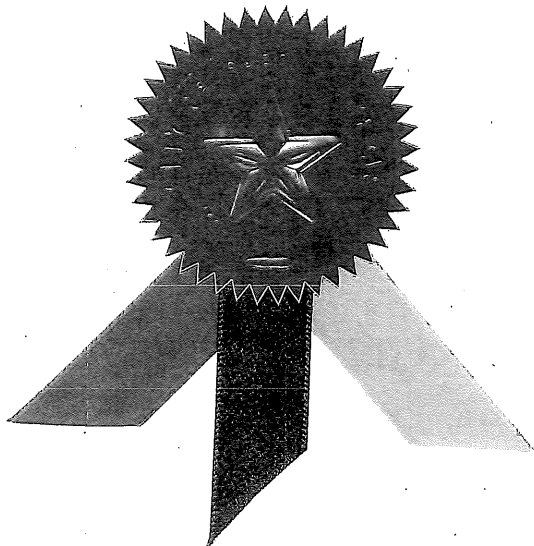
in the City of Sherman and urge all citizens to work together to reduce child abuse and neglect and to significantly improve the response of our community when child abuse occurs in the months and years ahead.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed, this the 2nd day of April, 2018.

Mayor

ATTEST:

Gina Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.2.

Meeting Date: 04/02/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"Sexual Assault Awareness Month" – April 2018

Issue:

To present a proclamation designating April 2018 as "Sexual Assault Awareness Month" in Sherman

Background:

Each year, the Grayson Crisis Center recognizes "Sexual Assault Awareness Month" and works to make the citizens of Sherman aware of the problem of sexual assault.

Origination:

The request for this proclamation originated with the Grayson Crisis Center.

Financial Consideration:

There is no financial consideration to the City.

Staff Recommendation:

It is the recommendation of the staff to present a proclamation proclaiming April 2018 as "Sexual Assault Awareness Month."

Alternatives:

The Council could choose not to present the proclamation.

Attachments

"Sexual Assault Awareness Month" Proclamation

Proclamation

WHEREAS, April is Sexual Assault Awareness Month, and all over the country organizations like the Crisis Center have pledged to educate and support their communities about the devastating effects of sexual assault, and

WHEREAS, community involvement is necessary to end sexual assault, and the Crisis Center and the City of Sherman recognize the difficulties victims have when reporting sexual assault, and

WHEREAS, the Grayson Crisis Center has responded to over one hundred sexual assault calls since the inception of the Sexual Assault Response Team on October 1, 2016; and one in five women and one in twenty men will experience sexual assault in their lifetime, and

WHEREAS, community partners include the City of Sherman, local law enforcement, area hospitals and organizations; the Crisis Center and the City of Sherman recognize the dedication of these organizations to end sexual assault in Grayson County.

NOW THEREFORE, I, David Plyler, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim the month of April, 2018

SEXUAL ASSAULT AWARENESS MONTH

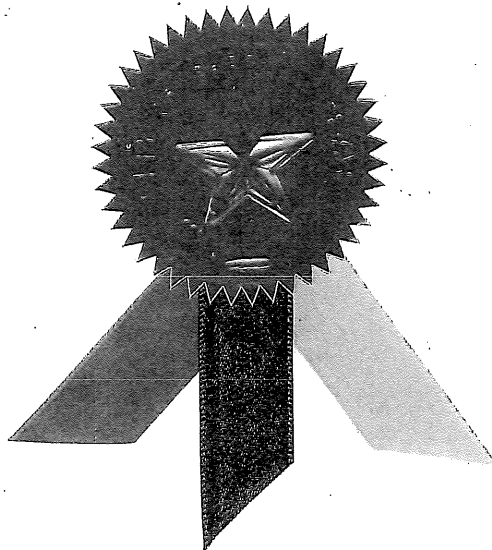
in the City of Sherman and encourage all citizens to increase their awareness and work to prevent sexual assault in our community and to unite together and with the Grayson Crisis Center to continue to make a difference.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 2nd day of April, 2018.

Mayor

ATTEST:

Sinda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

B.3.

Meeting Date: 04/02/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

PROCLAMATION

"National Library Week" – April 8-14, 2018

Issue:

To present a proclamation designating April 8 through 14, 2018, as "National Library Week" in Sherman

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 8 through 14, 2018.

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 Times, Young Readers, Preteen Reads, and a Sherman Public Library Advisory Teens meeting, and The Friends of the Sherman Public Library will host a Book Review Luncheon and invite the public to shop at their Spring Book Sale on April 21, 2018, 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, David Dwyer, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim April 8 through 14, 2018

NATIONAL LIBRARY WEEK

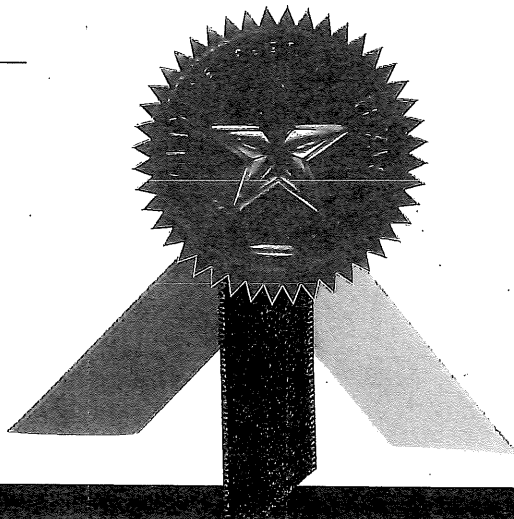
in the City of Sherman and urge all residents to visit the Sherman Public Library to take advantage of the wonderful library resources available. You belong at your library. I also encourage residents to thank their librarians and library workers for making information accessible to all who walk through 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 2nd day of April, 2018.

Mayor

ATTEST:

Linda Ashby
City Clerk





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.1.

Meeting Date: 04/02/2018

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

PUBLIC HEARING

Proposed Agreement with West Moore Solar, LLC/West Moore Solar II, LLC for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas

Issue:

Holding a public hearing on a proposed property tax abatement agreement between the City of Sherman and West Moore Solar, LLC/ West Moore Solar II, LLC ("West Moore Solar"), for improvements within Industrial Reinvestment Zone, Number 032018-01 (IRZ #032018-01), City of Sherman, Texas

Background:

The Tax Reinvestment Committee met on January 27, 2018, to discuss a tax abatement request from West Moore Solar, LLC/ West Moore Solar II, LLC for a project to invest between \$10 million and \$12 million in facility and personal property, and return \$1.1 million of agriculturally exempted land to the tax roll. The property is located in the 900-2000 blocks of West Moore Street, between Center Street and Park Avenue in Sherman, and situated within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas. The project is expected to begin in the Spring of 2018 with completion by December of 2018. West Moore Solar will employ one full-time employee. The life of this solar equipment is expected to be at least 25 years.

The Committee voted to recommend an abatement and the creation of the Zone to the City Council and other taxing entities. The law requires that a reinvestment zone be established prior to a tax abatement being granted for eligible projects. Ordinance No. 6101 creating Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas, was approved by the City Council at the March 19, 2018 meeting.

The Committee agreed to propose a five (5) year tax abatement of 50% each year of the term of the agreement, in accordance with the City's current tax abatement matrix.

Origination:

West Moore Solar, LLC/West Moore Solar II, LLC, Applicant
Tax Reinvestment Committee

Financial Consideration:

There is no direct cost associated with holding the public hearing. If the tax abatement is granted, total taxes at the current rate and value over the five (5) year abatement period will be about \$238,000 with a benefit to the taxpayer of about \$119,000.

Staff Recommendation:

The staff recommends that the City Council hold a public hearing on the proposed tax abatement agreement with West Moore Solar.

Alternatives:

No alternatives are recommended.

Attachments

Proposed Tax Abatement Agreement - West Moore Solar

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 _____, 2018 (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 West Moore Solar, LLC/West Moore Solar II, LLC (“West Moore Solar”), acting by and through its authorized officers, for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 19th day of March, 2018, the City Council of the City (“City Council”) passed Ordinance No. 6101 (“Ordinance”) establishing Industrial Reinvestment Zone, Number 032018-01, 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. 6080, on the 16th day of May, 2016; 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, West Moore Solar currently owns the Premises, as hereinafter defined, and West Moore Solar expects to invest \$10 to \$12 million in facility and personal property (“The Improvements”) on the Premises and return \$1.1 million of agriculturally exempted land to the tax roll. 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

West Moore Solar, 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. “WEST MOORE SOLAR AFFILIATE” shall mean any Person, directly or indirectly controlling, controlled by, or under common control with West Moore Solar. 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 West Moore Solar (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 West Moore Solar 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.

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 West Moore Solar's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by West Moore Solar or a West Moore Solar 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, West Moore Solar 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, West Moore Solar or a West Moore Solar Affiliate must substantially locate all Improvements to the Premises by January 1, 2019.

**IV.
TERM AND ABATEMENT PERIOD**

A five (5) year tax abatement period permitted by law is hereby granted with respect to all Improvements located therein or otherwise on the Premises, as indicated in Section VI below. The tax abatement period shall commence to run beginning no later than January 1, 2019.

**V.
INITIAL AND MINIMUM TAX LIABILITY**

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

B. During the period of tax abatement herein authorized, West Moore Solar 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 on the Improvements for the real property and the business personal property located therein and subject to this Agreement:

<i>Year</i>	<i>Percentage of Property Taxes Abated</i>
1	50%
2	50%
3	50%
4	50%
5	50%

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

C. Property Tax Covenant. Throughout the term of this Agreement, West Moore Solar shall timely pay all property taxes for the Premises and real and business 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, West Moore Solar shall notify the City in writing of any change of the manager of West Moore Solar within seven (7) days of such change.

VII. REPORTING AND MONITORING

West Moore Solar 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, West Moore Solar shall submit to the City a certification from West Moore Solar as to the conditions set forth in Section VI.B., C., and D.

B. West Moore Solar 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. West Moore Solar, 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. West Moore Solar 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 Improvements, at reasonable times and with reasonable notice to West Moore Solar, and in accordance with West Moore Solar's visitor access and security policies, in order to inspect the Premises, Qualified Facilities and Improvements to insure that the installation of the Improvements 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 West Moore Solar from any damages or liability to persons or property arising from City, its agents and employees, entry upon West Moore Solar's Property, unless such injury is caused by the sole negligence of West Moore Solar, 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 West Moore Solar breaches any of the terms or conditions of this Agreement, then West Moore Solar shall be in default of this Agreement. In the event West Moore Solar defaults in its performance, the City shall give West Moore Solar written notice of such default/failure of condition and, if West Moore Solar 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 West Moore Solar has commenced and is pursuing the cure of same, then, after first advising the City Council of West Moore Solar's efforts to cure same, West Moore Solar 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 West Moore Solar 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 West Moore Solar, 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 West Moore Solar 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 West Moore Solar 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 West Moore Solar or any West Moore Solar 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:

West Moore Solar:

Aaron Wilson
Senior Developer
Cypress Creek Renewables
Owner Representative
3250 Ocean Park Blvd
Santa Monica, CA 90405

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 2nd day of April, 2018, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.**WEST MOORE SOLAR AUTHORIZATION**

An authorized representative of West Moore Solar 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 West Moore Solar, 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, WEST MOORE SOLAR 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) WEST MOORE SOLAR'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify West Moore Solar 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, West Moore Solar shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at West Moore Solar's sole cost and expense, resist and defend the same with legal counsel selected by West Moore Solar; provided, however, that West Moore Solar shall not admit liability in any such matter on behalf of the City's Indemnified Party. West Moore Solar'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 West Moore Solar and participating in the defense of any litigation by their own counsel. If West Moore Solar 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 West Moore Solar 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 West Moore Solar 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 _____, 2018.

CITY OF SHERMAN, TEXAS

By: _____

David Plyler
Mayor

ATTEST:

By: _____

Linda Ashby
City Clerk

CITY OF SHERMAN, TEXAS

APPROVED AS TO FORM:

By: _____

Brandon S. Shelby
City Attorney

WEST MOORE SOLAR, LLC/WEST MOORE SOLAR II, LLC

By:

Name: Aaron Wilson

Title: Senior Developer, Cypress Creek Renewables, and
Owner Representative

Address: 3250 Ocean Park Blvd
Santa Monica, CA 90405

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 David Plyler, 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., 2018.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

WEST MOORE SOLAR 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 Aaron Wilson, Senior Developer, Cypress Creek Renewables and Owner Representative for West Moore Solar, LLC/West Moore Solar II, LLC, 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., 2018.

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

RESOLUTION NO. 6080

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL AND COMMERCIAL 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. 5862, passed and approved on June 2, 2014, 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 Industrial and Commercial Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED INDUSTRIAL AND COMMERCIAL
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 Industrial and Commercial Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

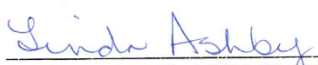
SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the 16th day of May, 2016.

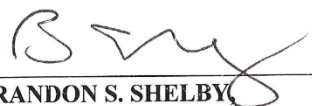
CITY OF SHERMAN, TEXAS

BY: 
DAVID PLYLER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: 
BRANDON S. SHELBY
CITY ATTORNEY

**EXHIBIT B
TO TAX ABATEMENT AGREEMENT**

The Premises



Field Notes

Being a 112.6372 acres part of a called 211.4 acres tract of land situated in the Elizabeth Jones Survey, Abstract No. 625 in the City of Sherman, Grayson County, Texas with said 211.4 acres tract being referred to as Tract 1-A by deed to SSCGC Holdings, LLC, a Texas Limited Liability Company as recorded in Volume 5232, Page 220, Official Records, Grayson County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS INC" (typical) for corner at the Northwest corner of the herein described tract and being at the Southwest corner of a called 2.042 acres tract of land conveyed to the City of Sherman and referred to as Tract Seventeen as recorded in Volume 3566, Page 616, Deed Records, Grayson County, Texas;

THENCE North 74 degrees 03 minutes 22 seconds East (called North 75 degrees 09 minutes 59 seconds East by Deed), along the common line of said City of Sherman 2.042 acres tract and said 211.4 acres tract, a distance of 302.44 feet (called 302.42 feet by Deed) to a 5/8 inch iron rod set for corner;

THENCE North 74 degrees 26 minutes 01 seconds East (called North 75 degrees 32 minutes 52 seconds East by Deed), along the common line of said City of Sherman 2.042 acres tract and said 211.4 acres tract, a distance of 297.58 feet to a 5/8 inch iron rod set for corner;

THENCE North 75 degrees 04 minutes 37 seconds East (called North 75 degrees 32 minutes 52 seconds East by Deed), along the common North line of said 211.4 acres tract and South line of a remaining part of a called 65.0993 acres tract conveyed to William W. Collins, Jr. and wife, Margaret Binkley Collins by Deed as recorded in Volume 1517, Page 629, said Deed Records, a distance of 708.88 feet to a 5/8 inch iron rod set for corner; being at the Southwest corner of a tract of land conveyed to 1401-1405 West Moore, LLC by Deed as recorded in Volume 5114, Page 118, said Official Records;

THENCE North 75 degrees 04 minutes 34 seconds East (called North 75 degrees 50 minutes 57 seconds East by Deed), along the common line of said 211.4 acres tract and said 1401-1405 West Moore, LLC tract, in the general line of a fence, a distance of 915.49 feet to a 5/8 inch iron rod set for corner;

THENCE South 21 degrees 01 minutes 41 seconds East, over and across said 211.4 acres tract, a distance of 134.57 feet to a 5/8 inch iron rod set for corner;

THENCE South 12 degrees 45 minutes 57 seconds West, continuing over and across said 211.4 acres tract, a distance of 1633.65 feet to a 5/8 inch iron rod set for corner;

THENCE South 36 degrees 36 minutes 39 seconds West, continuing over and across said 211.4 acres tract, a distance of 748.32 feet to a 5/8 inch iron rod set for corner;

THENCE South 54 degrees 49 minutes 17 seconds East, continuing over and across said 211.4 acres tract, a distance of 244.84 feet to a "MAG" spike set for corner in the general centerline of West Moore Street (a public road);

THENCE South 33 degrees 15 minutes 23 seconds West (called South 34 degrees 18 minutes 38 seconds West by Deed), along the general centerline of said West Moore Street, a distance of 891.89 feet to a "MAG" spike set for corner in the general centerline of said West Moore Street;

THENCE South 89 degrees 27 minutes 45 seconds West, departing said West Moore Street, over and across said 211.4 acres tract, a distance of 1745.71 feet to a 5/8 inch iron rod set for corner; being in the Westerly line of said 211.4 acres tract and the Easterly line of a called 83.311 acres tract of land conveyed to the City of Sherman as recorded in Volume 1288, Page 650, said Deed Records;

THENCE along the common lines of said 211.4 acres tract and said 83.311 acres City of Sherman tract the following courses and distances:

North 10 degrees 31 minutes 43 seconds West (called North 09 degrees 25 minutes 06 seconds West by Deed), a distance of 5.65 feet to a 5/8 inch iron rod set for corner;

South 89 degrees 43 minutes 17 seconds West (called North 89 degrees 10 minutes 06 seconds West by Deed), a distance of 18.00 feet to a 5/8 inch iron rod set for corner;

North 10 degrees 31 minutes 43 seconds West (called North 09 degrees 25 minutes 06 seconds West by Deed), a distance of 159.90 feet (159.92 feet by Deed) to a 5/8 inch iron rod set for corner;

North 35 degrees 55 minutes 04 seconds East (called North 37 degrees 01 minutes 54 seconds East by Deed), a distance of 232.67 feet (232.66 feet by Deed) to a 5/8 inch iron rod set for corner;

South 87 degrees 58 minutes 43 seconds East (called South 86 degrees 52 minutes 06 seconds East by Deed), a distance of 50.00 feet to a 5/8 inch iron rod set for corner;

North 42 degrees 05 minutes 17 seconds East (called North 43 degrees 11 minutes 54 seconds East by Deed), a distance of 110.00 feet to a 5/8 inch iron rod set for corner;

North 11 degrees 55 minutes 17 seconds East (called North 13 degrees 01 minutes 54 seconds East by Deed), a distance of 283.10 feet to a 5/8 inch iron rod set for corner;

North 55 degrees 53 minutes 17 seconds East (called North 56 degrees 59 minutes 54 seconds East by Deed), a distance of 248.85 feet to a 5/8 inch iron rod set for corner;

North 11 degrees 47 minutes 17 seconds East (called North 12 degrees 53 minutes 54 seconds East by Deed), a distance of 110.00 feet to a 5/8 inch iron rod set for corner;

South 62 degrees 26 minutes 43 seconds East (called South 61 degrees 20 minutes 06 seconds East by Deed), a distance of 102.73 feet to a 5/8 inch iron rod set for corner;

South 18 degrees 15 minutes 43 seconds East (called South 17 degrees 09 minutes 06 seconds East by Deed), a distance of 45.00 feet to a 5/8 inch iron rod set for corner;

South 49 degrees 21 minutes 43 seconds East (called South 48 degrees 15 minutes 06 seconds East by Deed), a distance of 50.00 feet to a 5/8 inch iron rod set for corner;

North 25 degrees 16 minutes 17 seconds East (called North 26 degrees 22 minutes 54 seconds East by Deed), a distance of 38.00 feet to a 5/8 inch iron rod set for corner;

North 18 degrees 15 minutes 43 seconds West (called North 17 degrees 09 minutes 06 seconds West by Deed), a distance of 37.00 feet to a 5/8 inch iron rod set for corner;

North 25 degrees 57 minutes 17 seconds East (called North 27 degrees 03 minutes 54 seconds East by Deed), a distance of 95.54 feet to a 5/8 inch iron rod set for corner;

North 40 degrees 58 minutes 17 seconds East (called North 42 degrees 04 minutes 54 seconds East by Deed), a distance of 90.00 feet to a 5/8 inch iron rod set for corner;

South 65 degrees 48 minutes 59 seconds East (called South 64 degrees 42 minutes 06 seconds East by Deed), a distance of 170.02 feet (170.00 feet by Deed) to a 5/8 inch iron rod set for corner;

South 71 degrees 32 minutes 33 seconds East (called South 70 degrees 26 minutes 06 seconds East by Deed), a distance of 235.24 feet (235.26 feet by Deed) to a 5/8 inch iron rod set for corner;

South 83 degrees 47 minutes 43 seconds East (called South 82 degrees 41 minutes 06 seconds East by Deed), a distance of 160.00 feet to a 5/8 inch iron rod set for corner;

South 40 degrees 27 minutes 43 seconds East (called South 39 degrees 21 minutes 06 seconds East by Deed), a distance of 208.00 feet to a 5/8 inch iron rod set for corner;

North 31 degrees 51 minutes 28 seconds West (called North 30 degrees 45 minutes 06 seconds East by Deed), a distance of 274.09 feet (274.10 feet by Deed) to a 5/8 inch iron rod set for corner;

North 74 degrees 10 minutes 43 seconds West (called North 73 degrees 04 minutes 06 seconds West by Deed), a distance of 73.00 feet to a 5/8 inch iron rod set for corner;

North 47 degrees 01 minutes 43 seconds West (called North 45 degrees 55 minutes 06 seconds West by Deed), a distance of 219.48 feet to a 5/8 inch iron rod set for corner;

North 35 degrees 40 minutes 43 seconds West (called North 34 degrees 34 minutes 06 seconds West by Deed), a distance of 377.10 feet to a 5/8 inch iron rod set for corner;

North 36 degrees 43 minutes 59 seconds East (called North 37 degrees 50 minutes 54 seconds East by Deed), a distance of 160.95 (160.97 feet by Deed) feet to a 5/8 inch iron rod set for corner;

South 84 degrees 17 minutes 23 seconds East (called South 83 degrees 10 minutes 06 seconds East by Deed), a distance of 35.02 feet (35.00 feet by Deed) to a 5/8 inch iron rod set for corner;

North 46 degrees 15 minutes 17 seconds East (called North 47 degrees 21 minutes 54 seconds East by Deed), a distance of 100.00 feet to a 5/8 inch iron rod set for corner;

North 84 degrees 17 minutes 06 seconds West (called North 83 degrees 10 minutes 06 seconds West by Deed), a distance of 60.02 feet (60.00 feet by Deed) to a 5/8 inch iron rod set for corner;

North 13 degrees 17 minutes 17 seconds West (called North 12 degrees 11 minutes 06 seconds West by Deed), a distance of 174.63 feet to a 5/8 inch iron rod set for corner;

North 47 degrees 53 minutes 58 seconds East (called North 49 degrees 00 minutes 54 seconds East by Deed), a distance of 117.88 feet (177.90 feet by Deed) to a 5/8 inch iron rod set for corner;

North 53 degrees 35 minutes 17 seconds East (called North 54 degrees 41 minutes 54 seconds East by Deed), a distance of 122.60 feet to a 5/8 inch iron rod set for corner;

North 39 degrees 58 minutes 17 seconds East (called North 41 degrees 04 minutes 54 seconds East by Deed), a distance of 122.60 feet to a 5/8 inch iron rod set for corner;

North 15 degrees 50 minutes 11 seconds West (called North 14 degrees 44 minutes 06 seconds West by Deed), a distance of 142.10 feet to a 5/8 inch iron rod set for corner;

North 50 degrees 00 minutes 43 seconds West (called North 48 degrees 54 minutes 06 seconds West by Deed), a distance of 277.40 feet to a 5/8 inch iron rod set for corner;

North 52 degrees 22 minutes 43 seconds West (called North 51 degrees 16 minutes 06 seconds West by Deed), a distance of 114.60 feet to a 5/8 inch iron rod set for corner;

North 49 degrees 52 minutes 43 seconds West (called North 48 degrees 46 minutes 06 seconds West by Deed), a distance of 136.00 feet to a 5/8 inch iron rod set for corner;

North 42 degrees 50 minutes 27 seconds West (called North 41 degrees 43 minutes 24 seconds West by Deed), a distance of 147.20 feet (147.19 feet by Deed) to the **POINT**

OF BEGINNING, containing within the metes and bounds herein recited, 112.6372 acres (4,906,478 square feet) of land, more or less.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

C.2.

Meeting Date: 04/02/2018

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

CONSENT AGENDA

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

Issue:

D. 3. * RESOLUTION NO. 6360

Authorizing Execution of an Agreement with Jose E. Tobar for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 823 North Branch Street

E. 4. * OTHER BUSINESS

Consider Request of the Sherman Main Street Advisory Committee to Temporarily Close Certain Streets for "Christmas in July" on Saturday, July 7, 2018



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.1.

Meeting Date: 04/02/2018

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6358

Authorizing Execution of an Agreement with West Moore Solar, LLC/West Moore Solar II, LLC for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas

Issue:

Approval of a proposed property tax abatement agreement between the City of Sherman and West Moore Solar, LLC/West Moore Solar II, LLC ("West Moore Solar") for improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas

Background:

On Wednesday, January 27, 2018, the Tax Reinvestment Committees of the City of Sherman, the Sherman Independent School District, Grayson County, and Grayson College (the "Committee") met to consider a request from West Moore Solar, LLC/West Moore Solar II, LLC for a tax abatement involving a project to invest \$1.1 million in real property and between \$10 million and \$12 million in facility and equipment at its property located in the 900-2000 blocks of West Moore Street, between Center Street and Park Avenue, in Sherman and situated within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas. The taxable value of West Moore Solar's current property carries an agricultural exemption; and it will be returned to the tax rolls at its full value of \$1.1 million. The project is expected to begin in the Spring of 2018 with completion by December of 2018. West Moore Solar will employ one full-time employee. The life of this solar equipment is expected to be at least 25 years.

The Committee voted to recommend an abatement and the creation of the Zone to the City Council and other taxing entities. The law requires that a reinvestment zone be established prior to a tax abatement being granted for eligible projects. Ordinance No. 6101, the first step in accomplishing the creation of a new commercial/industrial reinvestment zone, which would cover only West Moore Solar's property, was adopted following public hearing at the March 19, 2018 regular meeting.

The Committee agreed to propose a five (5) year tax abatement of 50% each year of the term of the agreement, in accordance with the City's current tax abatement matrix.

Origination:

West Moore Solar, LLC/West Moore Solar II, LLC, Applicant
Tax Reinvestment Committee

Financial Consideration:

At a minimum taxable value of \$11.1 million each year, this project would generate about \$238,000 in property tax revenues for the City over the five (5) years at the current tax rate before any abatement is applied; and the abatement will provide an estimated benefit to the taxpayer of \$119,000 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. 6358

Tax Abatement Agreement - West Moore Solar

RESOLUTION NO. 6358

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH WEST MOORE SOLAR, LLC/WEST MOORE SOLAR II, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 032018-01, CITY OF SHERMAN, TEXAS; 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 West Moore Solar, LLC/West Moore Solar II, LLC 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 West Moore Solar, LLC/West Moore Solar II, LLC for the abatement of ad valorem property taxes for a period of five (5) years, for improvements within Industrial Reinvestment Zone, Number 032018-01, City of Sherman, Texas, consisting of 112.6372 acres containing solar arrays, 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 _____, 2018.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

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 _____, 2018 (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 West Moore Solar, LLC/West Moore Solar II, LLC (“West Moore Solar”), acting by and through its authorized officers, for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 19th day of March, 2018, the City Council of the City (“City Council”) passed Ordinance No. 6101 (“Ordinance”) establishing Industrial Reinvestment Zone, Number 032018-01, 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. 6080, on the 16th day of May, 2016; 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, West Moore Solar currently owns the Premises, as hereinafter defined, and West Moore Solar expects to invest \$10 to \$12 million in facility and personal property (“The Improvements”) on the Premises and return \$1.1 million of agriculturally exempted land to the tax roll. 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

West Moore Solar, 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. “WEST MOORE SOLAR AFFILIATE” shall mean any Person, directly or indirectly controlling, controlled by, or under common control with West Moore Solar. 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 West Moore Solar (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 West Moore Solar 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.

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 West Moore Solar's corporate, public, employee, and business relations requirements.
- B. The Premises will be owned by West Moore Solar or a West Moore Solar 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, West Moore Solar 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, West Moore Solar or a West Moore Solar Affiliate must substantially locate all Improvements to the Premises by January 1, 2019.

**IV.
TERM AND ABATEMENT PERIOD**

A five (5) year tax abatement period permitted by law is hereby granted with respect to all Improvements located therein or otherwise on the Premises, as indicated in Section VI below. The tax abatement period shall commence to run beginning no later than January 1, 2019.

**V.
INITIAL AND MINIMUM TAX LIABILITY**

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

B. During the period of tax abatement herein authorized, West Moore Solar 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 on the Improvements for the real property and the business personal property located therein and subject to this Agreement:

<i>Year</i>	<i>Percentage of Property Taxes Abated</i>
1	50%
2	50%
3	50%
4	50%
5	50%

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

C. Property Tax Covenant. Throughout the term of this Agreement, West Moore Solar shall timely pay all property taxes for the Premises and real and business 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, West Moore Solar shall notify the City in writing of any change of the manager of West Moore Solar within seven (7) days of such change.

VII. REPORTING AND MONITORING

West Moore Solar 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, West Moore Solar shall submit to the City a certification from West Moore Solar as to the conditions set forth in Section VI.B., C., and D.

B. West Moore Solar 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. West Moore Solar, 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. West Moore Solar 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 Improvements, at reasonable times and with reasonable notice to West Moore Solar, and in accordance with West Moore Solar's visitor access and security policies, in order to inspect the Premises, Qualified Facilities and Improvements to insure that the installation of the Improvements 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 West Moore Solar from any damages or liability to persons or property arising from City, its agents and employees, entry upon West Moore Solar's Property, unless such injury is caused by the sole negligence of West Moore Solar, 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 West Moore Solar breaches any of the terms or conditions of this Agreement, then West Moore Solar shall be in default of this Agreement. In the event West Moore Solar defaults in its performance, the City shall give West Moore Solar written notice of such default/failure of condition and, if West Moore Solar 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 West Moore Solar has commenced and is pursuing the cure of same, then, after first advising the City Council of West Moore Solar's efforts to cure same, West Moore Solar 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 West Moore Solar 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 West Moore Solar, 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 West Moore Solar 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 West Moore Solar 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 West Moore Solar or any West Moore Solar 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:

West Moore Solar:

Aaron Wilson
Senior Developer
Cypress Creek Renewables
Owner Representative
3250 Ocean Park Blvd
Santa Monica, CA 90405

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 2nd day of April, 2018, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.**WEST MOORE SOLAR AUTHORIZATION**

An authorized representative of West Moore Solar 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 West Moore Solar, 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, WEST MOORE SOLAR 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) WEST MOORE SOLAR'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify West Moore Solar 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, West Moore Solar shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at West Moore Solar's sole cost and expense, resist and defend the same with legal counsel selected by West Moore Solar; provided, however, that West Moore Solar shall not admit liability in any such matter on behalf of the City's Indemnified Party. West Moore Solar'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 West Moore Solar and participating in the defense of any litigation by their own counsel. If West Moore Solar 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 West Moore Solar 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 West Moore Solar 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 _____, 2018.

CITY OF SHERMAN, TEXAS

By: _____

David Plyler
Mayor

ATTEST:

By: _____

Linda Ashby
City Clerk

CITY OF SHERMAN, TEXAS

APPROVED AS TO FORM:

By: _____

Brandon S. Shelby
City Attorney

WEST MOORE SOLAR, LLC/WEST MOORE SOLAR II, LLC

By: _____
Name: Aaron Wilson
Title: Senior Developer, Cypress Creek Renewables, and
Owner Representative
Address: 3250 Ocean Park Blvd
Santa Monica, CA 90405

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 David Plyler, 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., 2018.

Notary Public in and for the State of Texas

(Typed/Printed Name of Notary)

My Commission Expires:

WEST MOORE SOLAR 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 Aaron Wilson, Senior Developer, Cypress Creek Renewables and Owner Representative for West Moore Solar, LLC/West Moore Solar II, LLC, 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., 2018.

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

RESOLUTION NO. 6080

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING GUIDELINES AND CRITERIA FOR THE CITY OF SHERMAN'S INDUSTRIAL AND COMMERCIAL 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. 5862, passed and approved on June 2, 2014, 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 Industrial and Commercial Tax Abatement Programs, as required by law:

**CITY OF SHERMAN'S
RENEWED INDUSTRIAL AND COMMERCIAL
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 Industrial and Commercial Tax Abatement Guidelines and Criteria shall be effective immediately upon the passage of this resolution.

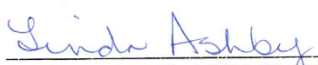
SECTION 3. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the 16th day of May, 2016.

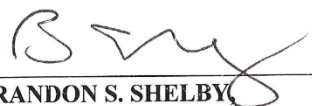
CITY OF SHERMAN, TEXAS

BY: 
DAVID PLYLER, MAYOR

ATTEST:

BY: 
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:**

BY: 
BRANDON S. SHELBY
CITY ATTORNEY

**EXHIBIT B
TO TAX ABATEMENT AGREEMENT**

The Premises



Field Notes

Being a 112.6372 acres part of a called 211.4 acres tract of land situated in the Elizabeth Jones Survey, Abstract No. 625 in the City of Sherman, Grayson County, Texas with said 211.4 acres tract being referred to as Tract 1-A by deed to SSCGC Holdings, LLC, a Texas Limited Liability Company as recorded in Volume 5232, Page 220, Official Records, Grayson County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS INC" (typical) for corner at the Northwest corner of the herein described tract and being at the Southwest corner of a called 2.042 acres tract of land conveyed to the City of Sherman and referred to as Tract Seventeen as recorded in Volume 3566, Page 616, Deed Records, Grayson County, Texas;

THENCE North 74 degrees 03 minutes 22 seconds East (called North 75 degrees 09 minutes 59 seconds East by Deed), along the common line of said City of Sherman 2.042 acres tract and said 211.4 acres tract, a distance of 302.44 feet (called 302.42 feet by Deed) to a 5/8 inch iron rod set for corner;

THENCE North 74 degrees 26 minutes 01 seconds East (called North 75 degrees 32 minutes 52 seconds East by Deed), along the common line of said City of Sherman 2.042 acres tract and said 211.4 acres tract, a distance of 297.58 feet to a 5/8 inch iron rod set for corner;

THENCE North 75 degrees 04 minutes 37 seconds East (called North 75 degrees 32 minutes 52 seconds East by Deed), along the common North line of said 211.4 acres tract and South line of a remaining part of a called 65.0993 acres tract conveyed to William W. Collins, Jr. and wife, Margaret Binkley Collins by Deed as recorded in Volume 1517, Page 629, said Deed Records, a distance of 708.88 feet to a 5/8 inch iron rod set for corner; being at the Southwest corner of a tract of land conveyed to 1401-1405 West Moore, LLC by Deed as recorded in Volume 5114, Page 118, said Official Records;

THENCE North 75 degrees 04 minutes 34 seconds East (called North 75 degrees 50 minutes 57 seconds East by Deed), along the common line of said 211.4 acres tract and said 1401-1405 West Moore, LLC tract, in the general line of a fence, a distance of 915.49 feet to a 5/8 inch iron rod set for corner;

THENCE South 21 degrees 01 minutes 41 seconds East, over and across said 211.4 acres tract, a distance of 134.57 feet to a 5/8 inch iron rod set for corner;

THENCE South 12 degrees 45 minutes 57 seconds West, continuing over and across said 211.4 acres tract, a distance of 1633.65 feet to a 5/8 inch iron rod set for corner;

THENCE South 36 degrees 36 minutes 39 seconds West, continuing over and across said 211.4 acres tract, a distance of 748.32 feet to a 5/8 inch iron rod set for corner;

THENCE South 54 degrees 49 minutes 17 seconds East, continuing over and across said 211.4 acres tract, a distance of 244.84 feet to a "MAG" spike set for corner in the general centerline of West Moore Street (a public road);

THENCE South 33 degrees 15 minutes 23 seconds West (called South 34 degrees 18 minutes 38 seconds West by Deed), along the general centerline of said West Moore Street, a distance of 891.89 feet to a "MAG" spike set for corner in the general centerline of said West Moore Street;

THENCE South 89 degrees 27 minutes 45 seconds West, departing said West Moore Street, over and across said 211.4 acres tract, a distance of 1745.71 feet to a 5/8 inch iron rod set for corner; being in the Westerly line of said 211.4 acres tract and the Easterly line of a called 83.311 acres tract of land conveyed to the City of Sherman as recorded in Volume 1288, Page 650, said Deed Records;

THENCE along the common lines of said 211.4 acres tract and said 83.311 acres City of Sherman tract the following courses and distances:

North 10 degrees 31 minutes 43 seconds West (called North 09 degrees 25 minutes 06 seconds West by Deed), a distance of 5.65 feet to a 5/8 inch iron rod set for corner;

South 89 degrees 43 minutes 17 seconds West (called North 89 degrees 10 minutes 06 seconds West by Deed), a distance of 18.00 feet to a 5/8 inch iron rod set for corner;

North 10 degrees 31 minutes 43 seconds West (called North 09 degrees 25 minutes 06 seconds West by Deed), a distance of 159.90 feet (159.92 feet by Deed) to a 5/8 inch iron rod set for corner;

North 35 degrees 55 minutes 04 seconds East (called North 37 degrees 01 minutes 54 seconds East by Deed), a distance of 232.67 feet (232.66 feet by Deed) to a 5/8 inch iron rod set for corner;

South 87 degrees 58 minutes 43 seconds East (called South 86 degrees 52 minutes 06 seconds East by Deed), a distance of 50.00 feet to a 5/8 inch iron rod set for corner;

North 42 degrees 05 minutes 17 seconds East (called North 43 degrees 11 minutes 54 seconds East by Deed), a distance of 110.00 feet to a 5/8 inch iron rod set for corner;

North 11 degrees 55 minutes 17 seconds East (called North 13 degrees 01 minutes 54 seconds East by Deed), a distance of 283.10 feet to a 5/8 inch iron rod set for corner;

North 55 degrees 53 minutes 17 seconds East (called North 56 degrees 59 minutes 54 seconds East by Deed), a distance of 248.85 feet to a 5/8 inch iron rod set for corner;

North 11 degrees 47 minutes 17 seconds East (called North 12 degrees 53 minutes 54 seconds East by Deed), a distance of 110.00 feet to a 5/8 inch iron rod set for corner;

South 62 degrees 26 minutes 43 seconds East (called South 61 degrees 20 minutes 06 seconds East by Deed), a distance of 102.73 feet to a 5/8 inch iron rod set for corner;

South 18 degrees 15 minutes 43 seconds East (called South 17 degrees 09 minutes 06 seconds East by Deed), a distance of 45.00 feet to a 5/8 inch iron rod set for corner;

South 49 degrees 21 minutes 43 seconds East (called South 48 degrees 15 minutes 06 seconds East by Deed), a distance of 50.00 feet to a 5/8 inch iron rod set for corner;

North 25 degrees 16 minutes 17 seconds East (called North 26 degrees 22 minutes 54 seconds East by Deed), a distance of 38.00 feet to a 5/8 inch iron rod set for corner;

North 18 degrees 15 minutes 43 seconds West (called North 17 degrees 09 minutes 06 seconds West by Deed), a distance of 37.00 feet to a 5/8 inch iron rod set for corner;

North 25 degrees 57 minutes 17 seconds East (called North 27 degrees 03 minutes 54 seconds East by Deed), a distance of 95.54 feet to a 5/8 inch iron rod set for corner;

North 40 degrees 58 minutes 17 seconds East (called North 42 degrees 04 minutes 54 seconds East by Deed), a distance of 90.00 feet to a 5/8 inch iron rod set for corner;

South 65 degrees 48 minutes 59 seconds East (called South 64 degrees 42 minutes 06 seconds East by Deed), a distance of 170.02 feet (170.00 feet by Deed) to a 5/8 inch iron rod set for corner;

South 71 degrees 32 minutes 33 seconds East (called South 70 degrees 26 minutes 06 seconds East by Deed), a distance of 235.24 feet (235.26 feet by Deed) to a 5/8 inch iron rod set for corner;

South 83 degrees 47 minutes 43 seconds East (called South 82 degrees 41 minutes 06 seconds East by Deed), a distance of 160.00 feet to a 5/8 inch iron rod set for corner;

South 40 degrees 27 minutes 43 seconds East (called South 39 degrees 21 minutes 06 seconds East by Deed), a distance of 208.00 feet to a 5/8 inch iron rod set for corner;

North 31 degrees 51 minutes 28 seconds West (called North 30 degrees 45 minutes 06 seconds East by Deed), a distance of 274.09 feet (274.10 feet by Deed) to a 5/8 inch iron rod set for corner;

North 74 degrees 10 minutes 43 seconds West (called North 73 degrees 04 minutes 06 seconds West by Deed), a distance of 73.00 feet to a 5/8 inch iron rod set for corner;

North 47 degrees 01 minutes 43 seconds West (called North 45 degrees 55 minutes 06 seconds West by Deed), a distance of 219.48 feet to a 5/8 inch iron rod set for corner;

North 35 degrees 40 minutes 43 seconds West (called North 34 degrees 34 minutes 06 seconds West by Deed), a distance of 377.10 feet to a 5/8 inch iron rod set for corner;

North 36 degrees 43 minutes 59 seconds East (called North 37 degrees 50 minutes 54 seconds East by Deed), a distance of 160.95 (160.97 feet by Deed) feet to a 5/8 inch iron rod set for corner;

South 84 degrees 17 minutes 23 seconds East (called South 83 degrees 10 minutes 06 seconds East by Deed), a distance of 35.02 feet (35.00 feet by Deed) to a 5/8 inch iron rod set for corner;

North 46 degrees 15 minutes 17 seconds East (called North 47 degrees 21 minutes 54 seconds East by Deed), a distance of 100.00 feet to a 5/8 inch iron rod set for corner;

North 84 degrees 17 minutes 06 seconds West (called North 83 degrees 10 minutes 06 seconds West by Deed), a distance of 60.02 feet (60.00 feet by Deed) to a 5/8 inch iron rod set for corner;

North 13 degrees 17 minutes 17 seconds West (called North 12 degrees 11 minutes 06 seconds West by Deed), a distance of 174.63 feet to a 5/8 inch iron rod set for corner;

North 47 degrees 53 minutes 58 seconds East (called North 49 degrees 00 minutes 54 seconds East by Deed), a distance of 117.88 feet (177.90 feet by Deed) to a 5/8 inch iron rod set for corner;

North 53 degrees 35 minutes 17 seconds East (called North 54 degrees 41 minutes 54 seconds East by Deed), a distance of 122.60 feet to a 5/8 inch iron rod set for corner;

North 39 degrees 58 minutes 17 seconds East (called North 41 degrees 04 minutes 54 seconds East by Deed), a distance of 122.60 feet to a 5/8 inch iron rod set for corner;

North 15 degrees 50 minutes 11 seconds West (called North 14 degrees 44 minutes 06 seconds West by Deed), a distance of 142.10 feet to a 5/8 inch iron rod set for corner;

North 50 degrees 00 minutes 43 seconds West (called North 48 degrees 54 minutes 06 seconds West by Deed), a distance of 277.40 feet to a 5/8 inch iron rod set for corner;

North 52 degrees 22 minutes 43 seconds West (called North 51 degrees 16 minutes 06 seconds West by Deed), a distance of 114.60 feet to a 5/8 inch iron rod set for corner;

North 49 degrees 52 minutes 43 seconds West (called North 48 degrees 46 minutes 06 seconds West by Deed), a distance of 136.00 feet to a 5/8 inch iron rod set for corner;

North 42 degrees 50 minutes 27 seconds West (called North 41 degrees 43 minutes 24 seconds West by Deed), a distance of 147.20 feet (147.19 feet by Deed) to the **POINT**

OF BEGINNING, containing within the metes and bounds herein recited, 112.6372 acres (4,906,478 square feet) of land, more or less.



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.2.

Meeting Date: 04/02/2018

Prepared By: Kevin Winkler, Public Works Manager

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6359

Authorizing Execution of an Integrated Supply Agreement with AME168, Inc., d/b/a NAPA Auto Parts

Issue:

To consider approval of an agreement with AME168, Inc., d/b/a NAPA Auto Parts (NAPA) for NAPA to continue to be the City's primary fleet automotive parts supplier

Background:

NAPA's Integrated Business Solutions services program is designed to be a more effective way to manage parts inventory, with on-site NAPA staff, thereby increasing City employee productivity. Since the City Council's original authorization of the Integrated Supply Agreement at the October 6, 2014 meeting, NAPA has resided in the City's Equipment Service Center's parts room. Parts will continue to be sold to the City at cost plus 10%.

Both NAPA and the City are members of the National Joint Powers Alliance (NJPA), a Minnesota-based Service Cooperative providing competitively bid pricing.

Origination:

Equipment Maintenance Services

Financial Consideration:

Funding for equipment repairs and maintenance is available in the fiscal year (FY) 2018 budget.

Staff Recommendation:

City Staff recommends that City Council authorize execution of the new Integrated Supply Agreement with NAPA.

Alternatives:

As may be directed by the City Council

Attachments

Resolution No. 6359

Integrated Supply Agreement

NJPA - NAPA Contract

RESOLUTION NO. 6359

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTEGRATED SUPPLY AGREEMENT WITH AME168, INC., D/B/A NAPA AUTO PARTS; 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 contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Integrated Supply Agreement with AME168, Inc., d/b/a NAPA Auto Parts, pursuant to the terms and provisions of 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 _____, 2018.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY,
CITY CLERK

BY: _____
DAVID PLYLER,
MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

INTEGRATED SUPPLY AGREEMENT
BY AND BETWEEN
AME168, INC., dba NAPA AUTO PARTS
AND
CITY OF SHERMAN

**INTEGRATED SUPPLY AGREEMENT
BY AND BETWEEN
AME168, INC. (d.b.a., NAPA AUTO PARTS)
AND
CITY OF SHERMAN**

THIS INTEGRATED SUPPLY AGREEMENT (this “Agreement”) is made by and between **AME168, Inc.**, a Georgia corporation (d/b/a NAPA Auto Parts) (“NAPA”), and City of Sherman, (“CUSTOMER”), to be effective as of the 28th day of February, 2018 (the “Effective Date”).

W I T N E S S E T H

WHEREAS, pursuant to a competitive bidding and selection process by the National Joint Powers Alliance (hereinafter, “NJPA”), a Minnesota-based Service Cooperative created by Minnesota Legislative Statute 123A.21, NJPA and NAPA executed contract #010511 on or around February 24, 2011 (hereinafter, “NJPA Contract”), attached hereto as Exhibit A, to establish a source of supply for certain auto, truck and bus parts as well as to provide Integrated Business Solutions services; and

WHEREAS, by becoming a participating member of NJPA (hereinafter, “Member”), the State of Texas and its related entities (hereinafter, “User Agencies”) are authorized to utilize the pricing and incentives available to NJPA Members set forth in the NJPA Contract; and

WHEREAS, CUSTOMER desires to become a User Agency under such NJPA Contract and desires to receive integrated business solutions services from NAPA; and

WHEREAS, CUSTOMER and NAPA agree that the NJPA Contract is a vehicle by which CUSTOMER may contract directly with NAPA for parts and services, but that the terms and conditions of this Agreement and not the terms and conditions of the NJPA Contract shall govern the relationship of the parties; and

WHEREAS, NAPA desires to provide integrated business solutions services and to establish inventories in CUSTOMER’s locations to service the fleet parts needs of CUSTOMER and to serve as the primary supplier of automotive replacement parts and other supplies and/or equipment (the “Inventory”) to serve the needs of CUSTOMER; and

WHEREAS, CUSTOMER desires to provide space for the Inventory on the premises of CUSTOMER for use by NAPA (“On Site Store”) and agrees that NAPA will be its primary supplier of the Inventory pursuant to the terms herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

AGREEMENT

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings set forth below:

- (a) ***Primary Supplier*** shall mean the parts supplier that provides a minimum of ninety percent (90%) of the Inventory needs of CUSTOMER.
- (b) ***NAPA Owned Store*** shall mean an auto parts store lawfully using the tradename or trademark "NAPA" which is wholly owned by NAPA.
- (c) ***NAPA Jobber*** shall mean an auto parts store lawfully using the tradename or trademark "NAPA" with respect to which NAPA maintains no ownership interest.

2. CUSTOMER'S CURRENT LOCATIONS. NAPA will establish On Site Store(s) at the CUSTOMER'S following location(s):

City of Sherman Fleet Maintenance
100 S. Rusk St
Sherman, TX 75090
Manager: Kent Sweat

Additional locations of the CUSTOMER may be added to this Agreement but only by a written amendment executed and agreed to by both the CUSTOMER and NAPA.

3. TERM. This Agreement shall begin the date this Agreement is fully executed and shall end when the NJPA Contract terminates or expires or when terminated earlier in accordance with the applicable terms and conditions stated herein. As the NJPA Contract is renewed or extended, this Agreement may be renewed or extended for a period of time equal to or shorter than the period of time the NJPA Contract is renewed or extended upon the mutual written agreement of the Parties. This Agreement shall terminate automatically upon the termination, for any reason, of the NJPA Contract. Notwithstanding the foregoing, either party may terminate this Agreement at any time for its convenience by giving the other party sixty (60) days prior written notice of such termination.

4. DUTIES AND RESPONSIBILITIES OF NAPA. NAPA shall have the following duties and responsibilities during the term of this Agreement:

NJPA Contract

(a) NAPA will operate the On Site Store(s) and provide the Inventory to CUSTOMER's now existing locations. NAPA shall provide all personnel required to operate the On Site Store(s).

(b) In those circumstances when delivery is required by CUSTOMER, NAPA will provide parts to CUSTOMER's locations on a daily route basis. In addition, NAPA will accelerate delivery on those items CUSTOMER requires to be delivered on an expedited basis. NAPA will make all reasonable efforts to ensure prompt delivery to the CUSTOMER's location(s) requesting part(s).

(c) NAPA shall provide all computers and reports necessary to monitor monthly expenses as they pertain to the daily operation of the On Site Store(s). NAPA shall provide computer ordering and cataloging to each On Site Store. The City of Sherman maintains all computer property after terms of the lease are satisfied. A new server shall only be replaced after the terms of the warranty are exhausted (5 years from purchase). At the time of replacement, the City of Sherman shall maintain all equipment that has exhausted any and all warranty.

(d) NAPA shall provide a cost statement of the parts operations to the CUSTOMER on approximately the 2nd of each month for each On Site Store.

(e) NAPA shall provide back-up emergency service during non-working hour contingencies. This overtime expense (calculated at time and one half) will be charged on a cost basis to CUSTOMER, and must be pre-approved by CUSTOMER. The parties shall mutually agree upon the pre-approval process for such emergency situations. NAPA will provide a list of personnel, including telephone numbers, who will respond to emergency service requests.

5. DUTIES AND RESPONSIBILITIES OF CUSTOMER. CUSTOMER shall have the following duties and responsibilities during the term of this Agreement:

(a) CUSTOMER shall provide, at its sole expense, usable space for NAPA's On Site Store(s) and the Inventory. CUSTOMER shall provide access to restroom facilities for NAPA employees. Further, CUSTOMER shall furnish, at its sole expense, all utilities for the On Site Store(s) including: water, sanitation, sewer, light, telephone, heat, gas, electricity, power, fuel, janitorial and all other utilities and services rendered or delivered to the On Site Store(s) whatsoever. CUSTOMER shall provide NAPA a safe work environment that is free from hostility, violence, or discrimination. NAPA reserves the right to terminate the contract immediately should NAPA encounter a hostile, violent, discriminatory, or unsafe work environment. NAPA shall be responsible for daily cleaning of the On Site Store.

(b) CUSTOMER shall use NAPA as its Primary Supplier of the Inventory under this Agreement. CUSTOMER reserves the right to purchase any item outside this Agreement where it is determined to be more economical or timely so long as the

purchase of aforesaid part or parts does not result in NAPA no longer being CUSTOMER's Primary Supplier in which case NAPA may terminate this Agreement.

(c) Each On Site Store location shall be appropriately secured or otherwise maintained separate and apart from the business of CUSTOMER. There shall be no intermingling of CUSTOMER's parts or other inventory with NAPA's parts or inventory. Access to the secured On Site Store(s) shall be restricted to NAPA employees and authorized NAPA representatives only. CUSTOMER'S employees, contractors or agents shall not be permitted to enter the secured On-Site Store area unless accompanied by a NAPA employee or other authorized NAPA representative. CUSTOMER will be granted full access to the server and telephone room.

(d) CUSTOMER shall, at all times during the term of this Agreement, at CUSTOMER'S sole expense, maintain in good condition and repair (so as to prevent any damage or injury to NAPA's employees, the Inventory or other personal property located in the On Site Store(s)) the roof, exterior walls, foundation, and structural portions of the On Site Store(s) and all portions of the electrical and plumbing systems lying outside of the On Site Store(s) but serving the On Site Store(s).

(e) CUSTOMER shall provide information regarding fleet changes to NAPA as soon as possible. Fleet changes include but are not limited to the removal of types of vehicles from the fleet and the addition of new vehicles to the fleet.

6. ALTERNATIVE SUPPLIERS. Each On Site Store may be serviced by a NAPA Owned Store or a NAPA Jobber. CUSTOMER acknowledges that whether it will be serviced by a NAPA Owned Store or a NAPA Jobber will be determined by NAPA, in its sole discretion, and that if CUSTOMER is to be serviced by a NAPA Owned Store, then such NAPA Owned Store must evidence its desire to abide by the terms of this Agreement.

7. PAYMENT TERMS/PRICING. NAPA shall invoice the CUSTOMER for all Inventory purchased pursuant to this Agreement on a monthly basis according to the pricing plan below. CUSTOMER agrees to pay the entire amount of all statements received from NAPA by the 15th day of the month following receipt of any such statement. If CUSTOMER has not paid the entire amount of all statements received from NAPA within 10 days of the 15th day of the month following receipt of such invoice, CUSTOMER shall be put on COD until such amount is paid in full. No prompt pay discount is available under this Agreement.

The overall goal of CUSTOMER's pricing plan is to achieve a ten percent (10%) net profit for NAPA (the "Net Profit Target") by adjusting the pricing of two elements:

- (a) ***Product Costs.*** The pricing of the Inventory to be supplied to CUSTOMER by NAPA pursuant to this Agreement. Product Costs shall be further divided into "***NAPA Product Costs,***" which is the pricing of NAPA supplier manufactured products, and "***Non-NAPA Product Costs,***"

which is the pricing of products which have not been manufactured by NAPA suppliers but which have been acquired for CUSTOMER by NAPA pursuant to this Agreement.

- (b) **Operational Costs.** Any and all costs and expenses associated with the operation of the On Site Store(s), including, but not limited to, vehicle gas and maintenance costs, salary and benefits payable to NAPA employees at the On Site Store(s), worker's compensation benefits and insurance, unemployment insurance, personal property insurance for the On Site Store(s) and Inventory, any deductible for losses covered under the personal property, automobile liability, or general liability insurance policies of NAPA, and all equipment supplied by NAPA. An example of a profit and loss statement reflecting such costs and expenses is attached hereto as Exhibit C. CUSTOMER acknowledges and agrees that the costs and expenses reflected on the profit and loss statement set forth on Exhibit C are subject to change in the sole discretion of NAPA based on the actual monthly parts purchases made by CUSTOMER during the term of the Agreement.

PRICING PLAN SUMMARY

NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate (gross profit is store acquisition cost divided by .90)
Non-NAPA Product Costs	Billed to CUSTOMER at a 10% gross profit rate (gross profit is acquisition cost divided by .90)
Operational Costs	Billed to CUSTOMER at cost
Net Profit Target	10% net profit for NAPA

Both NAPA Product Costs and Non-NAPA Product Costs shall be set by NAPA to yield a gross profit of ten percent (10%). Gross profit is calculated by dividing the acquisition cost by .90. Operational costs will be charged to CUSTOMER at cost, with all such charges for Operational Costs to be included in CUSTOMER's monthly billing statement. CUSTOMER will be billed at the end of each month for operational costs on an "in arrears" basis.

NAPA may use any sub-contractor for the procurement of "outside" purchases or services (i.e., those parts or services not traditionally stocked or performed by NAPA), and CUSTOMER will be billed an additional charge for any such purchases so as to yield NAPA a ten percent (10%) gross profit on such purchases. CUSTOMER must provide pre-approval in writing of such outside purchases. CUSTOMER is solely responsible for improper or inappropriate instructions by CUSTOMER's employees to NAPA regarding NAPA's purchases of nontraditional parts or services, unless CUSTOMER provided prior written notice to NAPA of parts or services that may not be procured by NAPA in relation to this Agreement.

8. INSURANCE.

(a) CUSTOMER is a state agency and is self-insured for liability and workers compensation through the Texas Municipal League. CUSTOMER shall provide to NAPA, upon execution of this Agreement, a copy of all Certificates of Insurance evidencing the insurance coverages above.

(b) NAPA shall maintain during the term of this Agreement worker's compensation insurance coverage for its employees located at the On Site Store(s) in amounts required by law. In addition, NAPA shall maintain personal property insurance during the term of this Agreement in an amount sufficient to cover any loss or damage to the Inventory and any other personal property owned by NAPA that is located at the On Site Store(s).

(c) The insurance policies in this section required to be held by each party shall contain a waiver of subrogation against the other party.

(d) Neither Customer nor the Texas Municipal League shall procure or provide insurance for NAPA property or Inventory.

(e) NAPA will provide automotive coverage insurance for the City of Sherman owned delivery vehicle. This expense for said insurance will be the sole responsibility of AME168, Inc.

9. NO LIENS.

(a) CUSTOMER warrants that it shall take no action, including but not limited to the granting of a security interest, or fail to take any action, which would operate or does operate in any way to encumber the Inventory of NAPA located in the On Site Store(s).

(b) CUSTOMER grants NAPA a power of attorney to execute such documents as are necessary to protect NAPA's interest in the Inventory on consignment on CUSTOMER's premises, including any UCC-1 statements.

10. PERSONNEL. NAPA and CUSTOMER shall attempt in good faith to mutually agree upon the identity of the persons that will be selected to staff the On Site Store(s). In the event that CUSTOMER for any reason wishes to remove or replace any of the NAPA personnel in the On Site Store(s), the parties will attempt to resolve CUSTOMER's request by mutual agreement.

11. WARRANTY/LIABILITY DISCLAIMER. All products supplied pursuant to this Agreement are subject to the terms of written warranties provided by the manufacturer of each product, and NAPA shall use reasonable commercial efforts to assist the CUSTOMER in processing all warranty claims that the CUSTOMER may have

against a manufacturer. The manufacturer's warranty will be the sole and exclusive remedy of the CUSTOMER in connection with any claims concerning the products supplied to CUSTOMER pursuant to this Agreement. ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. Copies of the manufacturers' warranties are available to CUSTOMER upon request.

For suppliers (or categories of suppliers) of Non-NAPA products that CUSTOMER instructs NAPA to utilize or consider for future purchases, NAPA is under no obligation to (and NAPA disclaims all liability in connection with) investigate product quality, management, ownership, reputation, certifications, qualifications, price competitiveness, or any other related characteristics of the products, individuals or entities at issue.

12. TERMINATION FOR CAUSE. This Agreement may be terminated immediately, unless otherwise stated in this Section 12, by either party for cause:

(a) In the event that the other party fails or refuses to pay any amounts due under this Agreement and such failure continues for ten (10) days;

(b) In the event that the other party fails or refuses to perform any other obligation required under this Agreement, and such failure or refusal continues for thirty (30) days after written notice thereof; or

(c) In the event that the other party files any bankruptcy petition, has any bankruptcy petition filed against it, makes any assignment of its assets for the benefit of creditors, or admits in writing its inability to pay its debts as they become due.

13. EFFECT OF TERMINATION. Immediately upon termination of this Agreement by either party for any reason:

(a) All duties, responsibilities and other obligations of each party hereunder shall terminate, except for the payment of any amounts due and owing to NAPA at the time of termination.

(b) Each party shall immediately return to the other party all equipment, software, books, records, tools and any other personal property owned by the other party that are in such party's possession. CUSTOMER shall allow NAPA full and unrestricted access to enter into the On Site Store(s) and immediately remove all equipment and other items of personal property owned by NAPA without being deemed guilty of trespass or any other violation of the law. All inventory records, sales history, sales analysis and all other information generated by NAPA under this Agreement will be returned to CUSTOMER.

Nothing contained in this Section shall be deemed a waiver of, or in any other manner impair or prejudice, any other legal rights that either party may have against the

other party for any breach of this Agreement. The provisions and obligations of Sections 9, 11, 14, 15, 17, 18, and 20 shall survive the termination of this Agreement for any reason.

14. BUY-BACK OF INVENTORY. Upon termination, expiration, or non-renewal of this Agreement, NAPA shall have the option to require CUSTOMER to purchase all non-NAPA branded Inventory owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost, and CUSTOMER shall have the option to purchase all NAPA branded Inventory, owned by NAPA and located in the On Site Store(s) at NAPA's current acquisition cost.

CUSTOMER INITIALS: _____

15. CHANGE OF CONTROL. NAPA may unilaterally terminate this Agreement by giving thirty (30) days written notice to CUSTOMER upon the occurrence of any one or more of the following events:

- (a) A change in the management or ownership of CUSTOMER;
- (b) A sale, lease, assignment or other transfer of CUSTOMER'S business or assets, whether through a stock purchase, merger, asset purchase, or other similar transaction, of at least a ten percent (10%) interest therein.

16. LANDLORD CONSENT AND WAIVER. Not applicable.

17. INDEMNIFICATION. NAPA shall be responsible for and shall indemnify and hold CUSTOMER harmless from and against all damages, claims or demands that may, during the term of this Agreement, arise or be occasioned by the negligent or intentional acts of NAPA or NAPA's employees.

18. NOTICES. Whenever any notice, demand or request is required or permitted hereunder, such notice, demand or request shall be hand-delivered in person or sent via facsimile, by overnight mail through a reputable service, or by certified mail, return receipt requested, to the addresses set forth below:

As to NAPA: AME168, Inc.
1902 Texoma Pkwy
Sherman, TX 75090
Attn: Kyle Roberts
Telephone: (903) 893-4628
Facsimile: (903) 813-1350

As to CUSTOMER: City of Sherman
100 S. Rusk
Sherman, TX 75090
Attn: Kent Sweat

Telephone: (903)892-7366
Facsimile: (903)892-7177

Each such notice shall be deemed delivered (i) on the date of receipt if delivered by hand, overnight courier service or if sent by facsimile, or (ii) on the date three (3) business days after depositing with the United States Postal Service if mailed by registered or certified mail. Either party may change its address specified for this notice by giving the other party at least ten (10) days written notice in accordance with this Section 18.

19. FORCE MAJEURE / DAMAGE OF PREMISES.

(a) Whenever performance by either party of any of their respective obligations (other than the obligation to make payment of money due hereunder) is substantially prevented by reason of any act of God, other industrial or transportation disturbance, fire, floods, riots, acts of enemies, national emergencies or by any other cause not within the reasonable control of such party and not occasioned by its negligence, then such performance shall be excused and the performance of such obligations under this Agreement shall be suspended for the duration of such prevention and for a reasonable time thereafter.

(b) NAPA may terminate this Agreement immediately in the event that the CUSTOMER's premises are damaged by any casualty, or such portion of the premises is condemned by any legally constituted authority, such as will make the CUSTOMER's premises unusable for the On Site Store(s) in the reasonable judgment of NAPA.

20. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective officers, directors, employees, successors and assigns. Notwithstanding the foregoing, the rights and obligations of either party to this Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

21. AMENDMENTS. No amendment to this Agreement shall be binding on either party hereto unless such amendment is in writing and executed by both parties with the same formality as this Agreement is executed.

22. NO WAIVER OF RIGHTS. No failure of either party hereto to exercise any power given such party hereunder or to insist upon strict compliance by the other party to its obligations hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

23. LIMITATIONS ON RIGHTS OF THIRD PARTIES. All obligations of a party under this Agreement are imposed solely and exclusively for the benefit of the

parties, and no other person shall, under any circumstances, be deemed to be a beneficiary of such obligations.

24. **INDEPENDENT CONTRACTOR.** The parties hereto are independent contractors. Nothing in this Agreement shall create or shall be deemed to create any fiduciary relationship or the relationship of principal and agent, partnership, joint venturers or any other similar or representative relationship between the parties hereto.

25. **CHOICE OF LAW.** This Agreement shall be construed and interpreted under the laws of the State of Texas.

26. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

27. **SECTION HEADINGS.** Section titles or captions contained herein are inserted only as a matter of convenience for reference and in no way define, limit, extend, or describe the scope hereof or the intent of any provision hereof.

28. **SEVERABILITY.** In the event any part of this Agreement shall be finally determined by a court of law to be illegal or unenforceable for any reason, then that illegal or enforceable part shall be severed from the Agreement, and the remaining terms shall continue in full force and effect.

29. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties hereto and no prior representation, inducement, promise or agreement, oral or written, between the parties not embodied herein shall be of any force and effect.

30. **NJPA CONTRACT.** CUSTOMER and NAPA acknowledge and agree that the NJPA Contract is a vehicle by which CUSTOMER may contract directly with NAPA for parts and services, but that the terms and conditions of this Agreement and not the terms and conditions of the NJPA Contract shall govern the relationship of the parties.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the parties hereto cause their hands and seals to be affixed by their duly-authorized representatives effective as of the date and year first above written.

AME168, Inc.

By: _____

Name: Kyle Roberts

Title: Owner

City of Sherman

By: _____

Name: _____

Title: _____

EXHIBIT A

NJPA CONTRACT

See attached.

EXHIBIT B
ASSIGNMENT

See attached.

ASSIGNMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, AME168, Inc., a Georgia corporation (hereinafter "Assignor"), hereby assigns, transfers, sets over and delivers to [JOBBER/POP], a _____ (hereinafter "Assignee"), all of Assignor's rights, obligations and interest, including any options to renew or extend the contract term, in those certain location(s) as set forth below, as governed by the Integrated Supply Agreement dated _____ by and between Genuine Parts Company and _____ [CUSTOMER] (the "Integrated Supply Agreement").

Location(s): _____

Assignee hereby accepts the assignment of the Integrated Supply Agreement, agrees to provide the services and perform all other obligations required to be performed by "NAPA" in said Integrated Supply Agreement at the times and in the manner set forth in said Integrated Supply Agreement, and shall be bound by all other terms, covenants and conditions of said Integrated Supply Agreement with regard to the location(s) set forth above, all with the same force and effect as if Assignee were originally named as "NAPA" therein.

[CUSTOMER] hereby consents to the above assignment of the Integrated Supply Agreement on the terms set forth herein.

The parties hereto agree that the assignment as set forth herein shall be effective as of midnight on _____.

IN WITNESS WHEREOF, the undersigned have set their hands this _____ day of _____, 20____.

ASSIGNOR:

ASSIGNEE:

AME168, Inc.

_____ [JOBBER/POP]

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Agreed and acknowledged:

_____ [CUSTOMER]

By: _____

Name: _____

Its: _____

EXHIBIT C

SAMPLE OPERATIONAL COSTS STATEMENT

See attached.

Form C

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**



Company Name: Genuine Parts Company/NAPA Integrated Business Solutions (IBS)

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature: _____

Date: June 10, 2015



Contract Award
RFP #061015



FORM D

Formal Offering of Proposal
(To be completed Only by Proposer)

FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS

In compliance with the Request for Proposal (RFP) for FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND INVENTORY MANAGEMENT SOLUTIONS, the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Genuine Parts Company/NAPA Integrated Business Solutions (IBS) Date: June 10, 2015

Company Address: 2999 Circle 75 Parkway SE

City: Atlanta State: GA Zip: 30399

Contact Person: Jett Kuntz Title: Vice President, NAPA IBS

Authorized Signature (ink only):  Jett Kuntz
(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

**NJPA 061015 FLEET-RELATED MAINTENANCE EQUIPMENT, SUPPLIES, SERVICES, AND
INVENTORY MANAGEMENT SOLUTIONS**

Genuine Parts Company/NAPA Integrated Business Solutions (IBS)
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be July 21st, 2015 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature:

NJPA Executive Director

Dr. Chad Coquette

(Name printed or typed)

Awarded this

21st

day of

July

, 20

15NJPA Contract Number 061015-GPC

NJPA Authorized signature:

NJPA Board Member

Scott VeronenScott Veronen

(Name printed or typed)

Executed this

21st

day of

July

, 20

15NJPA Contract Number 061015-GPC

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name

GENUINE PARTS Company / NAPA IBS

Vendor Authorized signature:

Scott Veronen

(Name printed or typed)

Title:

Vice President - NAPA IBS

Executed this

22nd

day of

July

, 20

15NJPA Contract Number 061015-GPC

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract; and
2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this RFP; and
3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract; and
4. Neither the Proposer nor any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985; and
5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal; and
6. If awarded a contract, the Proposer will provide the equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and
7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and
8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP; and
10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders; and
11. The Proposer understands that submitted proposals which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "nonpublic" **will not** be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a "trade secret." All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors' proposals become public information.
12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.
13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: Genuine Parts Company/NAPA Integrated Business Solutions

Contact Person for Questions: Jett Kuntz
(Must be individual who is responsible for filling out this Proposer's Response form)

Address: 2999 Circle 75 Parkway SE

City/State/Zip: Atlanta, GA 30339

Telephone Number: (770)855-2221 Fax Number: (303)623-5143

E-mail Address: Jett_Kuntz@genpt.com

Authorized Signature: 

Authorized Name (typed): Jett Kuntz

Title: Vice President, NAPA Integrated Business Solutions

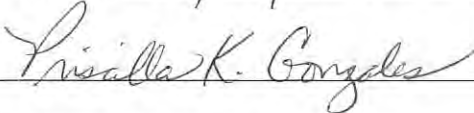
Date: June 10, 2015

Notarized

Subscribed and sworn to before me this 10th day of June, 2015

Notary Public in and for the County of Arapahoe State of Colorado

My commission expires: 12/20/2016

Signature: 

PRISCILLA K GONZALES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20044045305
MY COMMISSION EXPIRES 12/20/2016



PROPOSER QUESTIONNAIRE
Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, Industry Specific

Proposer Name: Genuine Parts Company/NAPA Integrated Business Solutions

Questionnaire completed by: Jett Kuntz

Payment Terms and Financing Options

1) Identify your payment terms if applicable. (Net 30, etc.)

On a monthly basis, we deliver parts billing and operational cost billing as part of our IBS services to our IBS contract customers. Our contract payment terms for parts purchases and operational expenses as part of our IBS services are Net 30th.

2) Identify any applicable leasing or other financing options as defined herein.

There are no applicable leasing/finance options as part of the services we provide for our customers since they are buying parts and paying us for monthly services rendered as part of our contracts.

3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).

- a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will he Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?**

Our order process is often a longer than normal process as our outsourced services often take longer due to working with government and educational fleet operations and management on case studies, financial analysis, and specific tracking metrics for each individual contract. This process is completely customizable to the needs of our customer and may be modified or refined during the NJPA member's contract adoption phase.

Step One – Discover the need with fleet operations and management on outsourcing parts and service needs. This will require analysis of current staffing, inventory, hours of operation, fleet needs, software adoption, billing processes, paperwork flow, audit procedures, and approvals.

Step Two – Introduce co-operative contract solution as a means to contract during the early phase of our analysis. If customer is not an NJPA member, we use this time to present the easy steps to become a member. If they already are an NJPA member, we present our contract opportunity with IBS along with documentation on the solicitation. At this point we have added a step in our process to verify documentation of NJPA membership with our NJPA contract manager.

Step Three – Complete financial and staffing analysis to determine needs of customer.

Step Four – Once customer has agreed to proceed to contract, our GPC legal and NAPA IBS representative present our NJPA IBS contract terms to the customer for their legal review.

Step Five – Customer builds business exceptions as part of our master IBS NJPA contract. NAPA IBS will negotiate specific terms for the customer based on their hours of operation, staffing needs, inventory needs, etc...

Step Six – NAPA IBS and Customer come to terms on NJPA contract.

Step Seven – NAPA IBS will inform NJPA when a contract has been agreed to between NAPA and customer. NAPA sets the commencement date with customer and ensures all operational systems are in place during mobilization. For NJPA, this is the window where we turn flags on in our system to accurately report sales per our NJPA contract agreement.

Step Eight – contract tracking and reporting will be communicated to NJPA on a quarterly basis along with announcements of all new contracts.

a) **Yes** – Our independent dealer network will be part of this proposal. Genuine Parts Company controls the process much like was outlined above for our independent dealer network. The dealer is responsible during the analysis phase to provide staffing, inventory and operational documentation. The dealer must agree to all of the terms of the NJPA IBS contract as well as the customization for a NJPA contract holder in the final agreement. To ensure these steps are made and done in our dealer network, Genuine Parts Company has provided an assignment document as part of the NJPA contract that must be signed by the customer, Genuine Parts Company, NJPA (if required), and the independent dealer as part of the contract process. The dealer is required to abide by the terms of the contract or will need to assign the business back to Genuine Parts Company.

4) Do you accept the P-card procurement and payment process?

Our NAPA IBS operations typically do not accept p-cards for payment on our monthly parts statement or monthly operations charges statement. We do make exceptions where customers are required to pay us via p-cards. However, since our NAPA IBS operations bill customers for all operating costs incurred in our services, we will be required to bill back any p-card service charges incurred by our IBS store operations on the monthly operating statement bill. For this reason, most NAPA IBS customers do not use their p-cards for our monthly billing – as we would bill them back any service charges.

Warranty

5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.

As an outsourced vendor managing hundreds – if not thousands – of vendors for a fleet operation, NAPA IBS accepts the responsibility to manage all parts warranties for our customers. NAPA will work with the NJPA contract customer to assist with and manage the manufacturer warranty process. All parts supplied under our agreement – OE, aftermarket, tires, supplies, etc. -- will be tracked and credit issued upon manufacturer approval. Reports will be available as needed for credit tracking purposes. Original equipment parts will be supplied where most beneficial to maximize manufacturer participation in the warranty process. NAPA will issue warranty credit immediately for any part that is determined to be defective. NAPA will then process the warranty claim on behalf of the customer. If the manufacturer denies the claim, NAPA will work with the customer to work through the vendor to expense out the cost of the product – only as a last resort. All inventory supplied pursuant to this agreement is subject to the terms of written warranties provided by the manufacturer of each part, and NAPA shall use reasonable commercial efforts to assist the customer in processing all warranty claims that the customer may have against a manufacturer. Designated NAPA personnel will process all warranty claims and provide the customer with information received from each claim processed. Copies of the manufacturers' warranties will be available to our contract IBS customers upon request.

In some specific cases, we have worked with customers to add warranty documentation and due diligence in writing to ensure protection for our customers. This may include additional indemnity agreements and warranty documentation and processes. All agreements of this nature must be approved as part of our contract processes with NJPA IBS contract customers. Details of our warranty language appear in the sample contract attached in our response in Exhibit G.

6) Do all warranties cover all products/equipment parts and labor?

The written manufacturer's warranty covers parts warranties in most every case within our contract. Labor cost will be requested from specific vendors – however, in our experience manufacturers of parts may not cover labor as part of product sales to commercial applications – and some require documentation from the shop technicians to request labor reimbursement. If available through the vendors that supply parts to NAPA IBS and the customer through this contract, NAPA IBS will manage the process to recover all available warranties from the vendors that provide parts. That is a big service we provide all IBS customers.

7) Do warranties impose usage limit restrictions?

Most warranties have a date/mileage restriction for warranty as well as a misuse clause in their documentation of warranty. NAPA IBS will keep a written record of all warranty information on file within our on-site store and will track warranty periods on the parts we sell via this contract.

8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?

Typically warranties on the parts and supplies we sell within the scope of NAPA IBS services do not cover outside vendor technician time on outside sources sent to do a repair since most of the customer technicians do the work. Therefore mileage and travel time do not come into play within the scope of services we provide. If we discover that an NJPA contract IBS may need these types of warranty coverage for unique warranty situations, we will address this with the vendor at the beginning of the contract and will ask them to include their solution in our due diligence paperwork for that vendor. The customer will have to agree to that warranty arrangement before we proceed with that vendor.

9) Please list any other limitations or circumstances that would not be covered under your warranty.

NAPA IBS is extremely engaged in warranty recovery as part of the services we provide. The only other circumstances where we may need to address warranty concerns will be for parts and services that were purchased by the customer before we begin our contract but then come to light after we have started our contract. We will work with manufacturers and distributors on behalf of our NJPA contract customer to resolve and recover warranty on parts we did not provide. The only additional foreseen warranty issue that may come up is when warranties are rejected because of technician error or misuse of equipment. No different than the first example – NAPA IBS responsibility will be to work directly with the supplier of the part/service to resolve and recover what we can for our customer.

10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair? Please provide a list of your network service providers for warranty work and repairs.

Since we will be providing a service – and that service will be providing hundreds of thousands of parts – the warranty procedures will be the same for any NJPA contract IBS customer in all 50 US states. The technicians and fleet management will present a defective or warranty part and our responsibility will be to process with the manufacturer or distributor who sold the product, recover the available, and process the paperwork on behalf of our customer. As a result we will use local and regional sources to process warranty work or the parts and services we provide. It is one phone call for an NJPA contract member to their local IBS on-site store to process any warranty. As soon as the warranty part is presented to our on site location, the store will be required to immediately replace the warranty part for the technician and credit the customer. The IBS store will then begin the warranty processing on behalf of the customer and present results after the proper vendor has processed the claim.

Equipment/Product/Services, Pricing, and Delivery

11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

NAPA Integrated Business Solutions (IBS) is a customized on-site (or off-site) vendor managed parts and supplies inventory management program offered by NAPA Auto Parts under the trademark name Integrated Business Solutions.

In the simplest form NAPA IBS is a service for fleet customers in any government segment (State, DOT, City, County, Utility, etc.) or education segment (Higher Education and K-12) where the customer has a need to more effectively manage the parts, supplies and materials it takes to maintain their fleet vehicles.

Today, NAPA IBS operates over 350 on-site locations for multiple government and private fleet and warehousing operations in the US and over 20 sites in Canada.

Each IBS contract is unique because each fleet we service has different hours of operation, different vehicles, varying ages of vehicles, and unique staffing situations...no two fleets are the same. **Each IBS location is customized for the government/education customers business.** We start with a blank sheet of paper and build the store entirely around them (people, vendors, services, hours, space, and inventory).

NAPA IBS manages **any product our customers need us to handle** (NAPA and Non-NAPA Automotive/Truck/GSE Parts, OE parts, office supplies, safety material, tires, bulk fluids, and more).

How does NAPA IBS help our government/education customers? NAPA IBS works with the customer to build a customized on-site (or in some cases off-site) store that has dedicated NAPA IBS staff who are dedicated 100% to the specific contract customer. When we come to project scope agreement and contract agreement with our customers, NAPA IBS installs a full-scale dedicated on-site parts, supplies and warehouse materials system at the fleet operation that services that particular customer around the business hours of that customer.

Here are the immediate benefits to our contract customers of having an on-site NAPA IBS location service:

- **Inventory Reduction** – NAPA IBS owns the parts supply and inventory. In many cases, we buy the existing non-obsolete parts the customer stocked prior to IBS – relieving them of the inventory investment. Then we add additional inventory on NAPA's investment to support the fleet and improve fill rates. NAPA IBS stores **sell our contract customers parts and supplies as they need them – on-demand**... dramatically reducing the expensive world of owning and managing inventory. The customer only pays for the part when they use it.
- **Staffing** – NAPA IBS provides the staff to run the parts operation during the hours the customer needs us. This staff is 100% dedicated to their contract customer and will also be available to cover the parts operation after hours and in emergency situations (if requested by customer).
- **Transaction Cost Reduction** – NAPA IBS works with fleet departments and procurement departments to reduce the number of transactions by reducing paperwork and reducing the vast number of vendors usually servicing a fleet. We source from all vendors NAPA and non-NAPA and provide our customers with **one bill at the end of the month**. By consolidating the monthly parts bill into one statement, our customers experience a big transactional cost savings reduction by paying one bill versus hundreds.
 - NAPA IBS also works to reduce transactional time and cost by integrating our exclusive TAMS (Total Automotive Management System) point of sale system with existing fleet and warehousing software systems. By integrating with a fleets existing software platform, we help them leverage a major investment they have made in their fleet software and fully utilize the billing, reconciliation, work orders, and reporting available in their software. **Most importantly, it ensures that all parts and supplies used in the shop get billed to a proper work order – allowing our customers the auditability of what they do in their fleet operations.** NAPA seamlessly integrates with dozens of the most popular systems on the market (including Assetworks –Fleet Focus, FA, M4 and M5, Faster, Mitchell One, RO Writer, RTA, Dossier, Chevin).
- **Shop Productivity Improvement** -- NAPA IBS on-site store handles the day-to-day productivity killers (parts management, paperwork, cores, defects, warranties, new part returns). A very important part of our service is

providing regular reporting of on-demand fill rates. Between inventory management, customized min-max services and our nationwide vendor network, NAPA IBS builds a transparent, auditable inventory plan with our customers that builds in specific KPI's and benchmarks for on-time parts delivery to the technicians. Our goal with this is to eliminate the expensive downtime in a shop spent waiting for parts delivery in the traditional parts procurement system. Our goal is to help the government/educational customer by keeping technicians turning wrenches through having the proper inventory on hand and taking the ball on parts pickup and service to ensure the shop gets their parts on time – by dealing with hundreds of vendors.

In summary, IBS is customizable inventory solution that can be built around one shop, multiple shops and broad geographies.

12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).

The NAPA IBS program is a turnkey, full-service inventory and parts supply program for fleet and warehouse operations. Services we provide will be outlined in our response to question #24 of Form P.

The program will be made available to all participating Genuine Parts Company/NAPA company-owned and independent NAPA stores in the US. Each governmental agency will use the sample contracts provided in the RFP response (**Exhibit G**) as a basis to come to contractual relationship with the servicing NAPA store. Both parties must agree and sign a contract summarizing the business relationship.

Pricing Model – Industry Standard – With over 350 current contract sites in the US and over 20 in Canada – NAPA IBS proposes the industry standard pricing model for the purposes of responding to this RFP. In our 20+ years of providing this service to government, educational and non-profit customers – as outlined in this RFP – our customers have asked for and have come to expect a pricing model that consists of two distinct parts:

1. **IBS PARTS PRICE:** The price of all parts and supplies purchased by the NJPA customer factored at an acquisition price divided by a margin factor to arrive at customer parts price.
2. **IBS OPERATIONS COST:** The monthly operating expenses charged to customer – based on agreed upon service and staffing agreements.

IBS Parts Price Narrative:

Today, NAPA IBS manages over one million parts skus from over 1,300 unique manufacturers and distributors for fleet operations nationwide. This does not count the NAPA branded 445,000+ skus we also can manage in an operation. As a result, the industry standard for managing and selling such a wide range of vendors and skus has made it important for our customers in this space to work on an actual acquisition parts cost vs. a list price less contract.

Most of our government IBS customers wish to have our parts pricing and contract margin clearly defined – along with a separate operating cost for our IBS services broken down separately to distinguish the true cost of operating an on-site location. The pricing models listed in this RFP are the same models used in virtually every government and educational IBS location we have today – as well as the model that has been presented in several RFPs of this nature in fleets where we are not the contract holder. For this reason, we are presenting our pricing model solution as within the industry standard for these types of services.

In both models we present, we will define the “acquisition cost” on parts as this:

NAPA Branded Parts – Acquisition price will be the jobber net store acquisition cost for NAPA parts (on 10% margin model) and 9071 profile price (on Pricing Profile model)

Non-NAPA/Sourced Parts – Acquisition price will be the net invoice price for NAPA IBS to acquire the part from the non-NAPA source.

IBS Operations Cost Narrative:

Due to the different nature and business structure at each governmental agency, each individual IBS agreement will have a different level of expense depending on the unique needs of the fleet – different staffing, different hours, and different needs. For this reason, NAPA and the customer must complete an analysis of the fleet's needs before deciding on the proper expense structure for the IBS site. Due to the nature of the IBS contract, the expenses involved with projected monthly operating expenses must be looked at separately from the parts pricing. NJPA contract member should consult with NAPA on structure of IBS and possible expenses. All operating expenses are agreed on by both parties before moving to final contract. Operating expenses are billed to the IBS customer at true cost with no markup and a sample of expected, agreed expenses are added to the final contract for approval from all parties before proceeding.

Sample monthly operating expense details are listed in Exhibit F of NAPA IBS's RFP response.

Summary Narrative:

Our contract proposal gives NJPA members the most flexibility to select from two pricing options for our services within our contract to account for parts billing and operational costs – giving them easy audit capabilities on the price or parts and full accounting on all operating expenses for their project to gain a clear picture of total cost of services. Our two options are:

- Option 1: 10% gross margin model**
- Option 2: NJPA Pricing profile model**

The specifics of these two options will be outlined in our response to Form P - Question #14 below.

13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.

NAPA IBS is a vendor managed service for fleet related parts and services. In many cases we handle hundreds of vendors across broad scopes of products. As a result, the traditional methodology of calculating an “off-list/off-MSRP” methodology for the vast array of product supplied is not applicable. The products we sell are a function of our service. The products we sell under an IBS program are based on a cost factor – not on a total margin factor. Due to the wide array of products supplied in a vendor managed inventory, our customers have traditionally preferred to have us provide products at a negotiated cost plus factor (unless asked to provide an alternative model like our pricing profile model listed in the previous question). Because many vendors today do not maintain a true suggested MSRP or List price, the “off-list” discount numbers can vary wildly across multiple vendors – so the ability to have a true apples-to-apples comparison on list less discounts becomes clouded. As a result, a vast majority of our 350 contracts are based on an acquisition cost factored margin methodology to determine selling price to the customer. Our government customers overwhelmingly prefer the transparent cost nature of our IBS pricing model, as they have auditable invoices from our suppliers to measure the true cost factor on our margin/markup.

Many parts vendors do not provide a true MSRP or list price. That is the main reason the industry standard for parts pricing in this model is using the factored margin approach – NJPA contract members will purchase parts at the store acquisition cost (less any rebates and discounts that are passed to the customer via the acquisition price) divided by the factored margin agreed to in our contract. That allows the customer to see the invoice cost of the part and to easily factor the contract margin based on the contract to audit pricing. For vendors that do provide MSRP or List Pricing - we can estimate a wide range of discounts off list price from 10% off list to 75%.

On the NAPA branded product we sell in our agreements – since we are the sole distributor of NAPA branded products – we may have an average of 20%-50% off list price on NAPA branded products – depending on the pricing model our customers select.

- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.

NJPA Customer Option 1: 10% Gross Margin Model

Parts Costs

NAPA Branded Parts - Supplied to customer at NAPA JOBBER NET Store Acquisition Cost divided by a factor of .90 = Customer purchase price of NAPA branded part. This is a not-to exceed pricing structure.

Sourced (non-NAPA Branded) Parts - Supplied to customer at IBS store acquisition cost from vendor divided by a factor of .90 = Customer purchase price of Sourced part. This is a not-to exceed pricing structure. Examples of these types of Sourced Parts vendors are outlined in Question #15 – Form P – below. **This price structure is outlined in our RFP proposal Exhibit H – electronically.**

This will be the cost factor for every sku sold from every vendor in this pricing model.

Operating Costs

The operating expenses of the store are billed on a separate bill to the customer in their entirety at cost. Industry standard for vendor managed inventory services has been for the vendor to supply a monthly, detailed operating statement to show all operating expenses and billing categories for expenses to run these operations per contract. In most cases customers prefer this model to bill operating expenses separate from the price of the part.

Example: If NAPA IBS and fleet agree that the IBS will stock and source a Ford OE brake part. The part is sourced by NAPA IBS and sold to the contract customer under our agreement at NAPA IBS acquisition cost from local Ford dealer divided by .90 to equal the selling price of the part. i.e. – Ford brake parts net acquisition cost is \$47.00 divided by .90 = IBS selling price to customer of \$52.22. This formula for gross margin is the same for NAPA branded product and non-Source/non-NAPA product. This will be the not to exceed price factor for each sku we provide in our agreement.

Under the term of this agreement with a customer, we would provide the customer a monthly parts detail with the parts acquisition cost and gross margin detail – as well as an audited operating statement. All parts from NAPA and non-NAPA Sourced vendors are put on to one consolidated billing statement. NAPA provides a separate bill for the operating expenses in this model.

A sample estimated operating statement showing the price model for the 10% gross margin model and sample operating expenses is included in Exhibit F of this document as well as documented in the pricing section of the sample contract listed in Exhibit G of our response.

NJPA Customer Option 2: NJPA Pricing Profile Model

We have some government/education fleet customers -- usually ones that service and bill multiple internal customers -- who ask us for an alternative model where our IBS operating expenses are built into the parts margins – so they may bill the proportionate operating expenses within the price of the part when they bill their internal agencies. For that reason, we have created a second pricing option for NJPA contract holders wishing to go to IBS contract.

This model builds an extra gross margin on parts for the NJPA customer from the NAPA store. In this model the operating costs are paid entirely by NAPA. The NAPA store still receives a contract 10% net margin so amounts will be refunded or charged based on failure to achieve an overall 10% net margin after gross profit dollars and expenses are compared. Simply put, this model builds the price of most operating expenses into the price of the part. The NAPA Branded Parts Pricing in this model is billed to customer on the identical 9071 pricing profile used

in our NAPA Auto Parts Awarded Traditional NJPA contract #031212. **This price structure is outlined in our RFP proposal Exhibit H– electronically.**

Parts Costs

NAPA Branded Parts -- Supplied to customer at the NAPA Parts Contract Pricing profile schedule 9071. This is a not-to exceed pricing structure.

Sourced (non-NAPA Branded) Parts -- Supplied to customer will be sold at IBS store acquisition cost from vendor divided by a factor of .75 = Customer purchase price of sourced/Non-NAPA branded part. This is meant to yield a 25% margin on parts. This is a not-to-exceed pricing structure. Examples of these types of Sourced Parts vendors are outlined in Question #15 – Form P – below.

This will be the cost factor for every sku sold from every vendor in this pricing model.

Operating Costs

In this option, the operating expenses are not billed to the customer. The additional gross margin from all parts sales for the month are intended to cover most of the monthly operating expenses in this model. At the end of each month, the customer will be refunded or charged based on failure to achieve an overall 10% net margin for NAPA IBS for that month. We show a sample operating statement for this model in Exhibit G of our proposal.

Example: In this model, the IBS customer will be billed 9071 pricing (not to exceed) on all NAPA branded product and billed a cost factor of acquisition cost divided by .75 on all non-NAPA/Sourced parts (not to exceed price). The intent of these two profiles will be to produce a higher margin than pricing model 1. For the purposes of our example in Exhibit G – we used a blended gross margin of 25% on parts. The customer would pay the total price of parts in this model and the expenses would not be billed to the customer. One important note – if the gross margin in this model does not exceed the expenses to ensure NAPA of a 10% net margin per contract, the customer may be billed the difference.

15) Propose a strategy, process, and specific method of facilitating “Sourced Equipment/Products and/or related Services” (AKA, “Open Market” items or “Non-Standard Options”).

We have a clear-cut strategy for how potential NJPA customers will approach our proposed services in this offering space. Traditionally, customers will contact NJPA and NAPA IBS asking for one of two things when it comes to parts supply for their fleet or warehousing operations. The parts supply scope covered in NAPA Auto Parts NJPA contract #031212 which was awarded to NAPA Auto Parts in 2013 addresses traditional parts supply. In that model, NAPA retail stores across the country supply and deliver NAPA branded parts to NJPA customers.

The NAPA IBS model we propose in this solicitation is a completely different model. In IBS we propose an alternative method from traditional government procurement. Our model is a services related contract model that deals across multiple vendors offering an inventory management model that allows governments to use an NJPA contract to build a transformational model of parts supply and inventory management. Our model is facilitated by working directly with municipal and educational NJPA contract members to build a financially sound case for outsourcing their parts facility and supply chain to NAPA IBS. We have a vast marketplace of government and education fleets that we work with every year on major transformational operating strategies through IBS. The basic premises outlined in Form A of this response delineates the different aspects these fleet operators look at when determining our services. Some of the added value services we provide in our IBS services could be considered “Non-Standard Options”, and the basic services we provide could be considered “Open Market” services. We facilitate each customer based on their specific needs and provide them a menu of operational, vendor and service options to fit exactly what they need for their shops.

What specifically sets us apart from other vendors in the vendor managed inventory marketplace is the depth of experience and broad range of vendors available under our program. NAPA IBS has an incredible network of non-Source/Non-NAPA vendors that cannot be matched. This depth of experience dealing with vast amounts of local

businesses, diverse businesses, regional businesses, and national brand name vendors for parts and supplies -- give our NAPA IBS customers a unique opportunity to have sources available to them for parts.

We work in hundreds of government and educational fleet operations and many private fleet operations. That gives us a unique breadth of sources for parts – a very important aspect considering the broad range of fleet vehicles and operations across the NJPA verticals: light-medium-heavy duty, OE trucks, fire apparatus, ambulances, construction equipment, lawn maintenance equipment, semi-trucks, police cruisers, cement mixers, road maintenance vehicles, snow plows, garbage trucks, school buses, transport buses, airport maintenance, fueling....we have worked with most major brands of fleet vehicles and equipment. NAPA IBS sources millions of dollars each year from suppliers like:

IBS Non-Source/Non-NAPA Sample Vendor List	
Tires - Multiple Brands: incl. Goodyear, Bridgestone, Michelin, etc..	Motion Industries
Ford Motor Parts	Kenworth Trucks
International - Navistar - IC Bus - Monaco - Workhorse	Thomas Built Bus
General Motors F	BMW
Caterpillar	Terex - Amida Brand
Freightliner	Toyota
Cummins	John Deere - Green
McNeilus	Mercedes Benz
John Deere - Yellow	Nissan
Altec Industries	Volvo
Chrysler Family of Vehicles	Federal Signal
Whelen Lights	Jasper Engines & Transmissions
Grainger	Isuzu
E-One Fire Trucks	Continental Battery
Tug Technologies	Bobcat
Labrie Environmental Group - Leach / Wittke / Juggler	Blue Bird Corporation
Peterbilt	New Flyer
Toro	Hall Industries
Heil Environmental	Komatsu
Elgin Sweeper Co	Prevost / Nova
Case Equipment - New Holland - International Harvester	Wirtgen - Voge / Hamm / Kleemann Equipment
Mack	Imperial Supply
Four Seasons Radiator	Honda - Acura
Pierce Manufacturing - Fire Trucks	Hydraulic Solutions
AC Delco	Vactor Equipment
Hale Products	Detroit Diesel / Allison Transmission
Heil Heating & Cooling	Terex - Amida Brand

We leverage local, regional and national buying sources – and have a national database of pricing – to compare prices and ensure our customers get fair prices in their operations. Our customers see the actual invoice price when we source parts from these type of non-NAPA Sourced parts vendors and the customer can easily see the margin factor we apply to these parts to show part price per the contract.

16) Describe your NJPA customer volume rebate programs, as applicable.

Based on our cost-based model, we do not provide rebates as part of a volume program with our IBS customers. Parts are sold at cost plus and any negotiated vendor rebates or discounts from ANY vendor in our operation are immediately accounted for in the raw acquisition cost of the part or supply for the customer. The true cost savings for the customer is encumbered in the total solution of NAPA IBS – cost savings come from buying parts and supplies at the “after rebate” price net acquisition cost on parts, inventory reduction and/or acquisition, transaction cost reductions, and shop productivity.

17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included “Pricing” submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

Our total cost of acquisition has been defined in our pricing response in line items 12-14. There are no hidden costs of acquisition in our IBS model. Parts costs are transparent to the customer and gross margin is added as a factor on our pricing schedule. On the operating expense pricing, NAPA IBS provides an audited operating statement to every NJPA IBS contract customer on a monthly basis – complete with backup for the expenses listed. The total cost of acquisition is the sum of the parts purchased by the NJPA contract customer at acquisition cost + contract gross margin + total agreed operating expenses. The only other additions to total cost may be special request projects – like IT projects, mobilization costs or overtime charges that come up as part of our agreement. Those expenses are verified and agreed to by a customer before we begin our services.

18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

Our IBS store services include inventory management and parts supply. NAPA branded parts are primarily supplied from our closest NAPA Distribution Center (at no freight charge to the customer). Our NAPA Distribution Centers are available for parts supply 7 days per week for our On-site NAPA IBS stores. Nightly freight deliveries to IBS locations are available on Monday-Friday with special pickups and deliveries on weekend. We also handle a huge array of local, regional and national non-NAPA vendors. Our goal is to have a vast majority of stock on hand to avoid freight charges. We work with all vendors to deliver parts at FOB destination cost. As part of our IBS services, the only freight or shipping costs come in the form of special order parts and supplies as requested by the customer. For example, if we have a specific application part that is an emergency and the only supply for that particular part is from a vendor in another state, we provide the customer with a freight approval form and will only ship upon approval from authorized NJPA IBS customer approver. Freight and shipping on special order items is billed to customer on the itemized operating statement on a monthly basis and is billed at cost with no markup. In addition, freight for these special order items is included on our invoice along with the part for auditing and tracking.

19) As an important part of the evaluation of your offer, indicate the level of pricing you are offering.

Prices offered in this proposal are:

- | | |
|----|---|
| | a) Pricing is the same as typically offered to an individual municipality, Higher Ed or school district. |
| XX | b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments. |
| | c) Better than typically offered to GPOs, cooperative procurement organizations or state purchasing Departments. |
| | d. Other; please describe. |

Explanation: The hallmark of our NAPA IBS program is pricing and service cost transparency. That’s why our pricing model presented here is the same as we present to government agencies in the US and Canada. Parts supply vendor managed inventory contracts are unique in that a customer gets handed a detailed operating statement from a vendor and is provided auditable backup on all expenses and product costs on a monthly basis. For this reason, our IBS program presented to NJPA for consideration for this RFP is the same premise and conditions that we expect in every government offering or procurement event focused specifically on our IBS services. What varies in each contract is the services, staffing, overhead, and products as requested as part of the services we provide. In one IBS operation, the customer may request 7 people to staff their operation 24/7. In another operation, with similar needs, we may have 5 people. The expense bill back for these two operations will be a different cost to each customer because their needs are different. Both will work on the same pricing platform agreed to in the contract for parts and supplies, but the operations expense charge or “price of operation” will differ because they require different resources.

It is important to clarify and note that the services we are proposing for this RFP are a services-based, non-traditional procurement. Typically a procurement organization puts a bid out for parts, and vendors negotiate an acceptable margin to pay rebates, service the customer, and make a profit for their business. NAPA IBS is an atypical procurement in that the cost of the parts is not the “price” of the parts. Because of the service aspect of charging IBS customers for IBS services, we can say that traditionally parts prices can be lower, the same, or higher, depending on the mix of product we sell. It would not be accurate to say that prices across the board will be better – mainly because we do not know that until we get involved in an engagement and understand who is supplying parts and supplies.

In many cases we have been able to reduce the parts "price" for a customer through NAPA branded vendors and some non-NAPA vendors as well. We stand shoulder to shoulder with procurement and fleet to provide the agreed products they want for their fleet. We have had examples where fleet and procurement have been buying an aftermarket product from a vendor – only to find the quality of the parts to be poor. We jointly make the decision to purchase the higher priced OE part for a customer. In that case, our parts "price" was not lower, but the reduction of downtime, gain of tech productivity time, and overall "cost" has been reduced by the services we provide.

On a broad scope in our IBS services, we have been able to produce significant "cost" reductions for customers – which many times includes price reduction on the raw acquisition of the parts "price".

20) Do you offer quantity or volume discounts?

____ YES X NO Outline guidelines and program.

No. See response to question #16 on Form P above.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

One of the hallmark services we will provide NJPA IBS contract customers is our incredible returns and exchange program managed by our on-site point of sale TAMS system. As part of a 6,000 site retailer, our IBS sites get to use the same technology NAPA uses to manage its 6,000 retail stores which manage millions of dollars in returned/exchanged merchandise every year. TAMS processes three type of returns: **New part returns, core returns, and warranty returns.** NAPA IBS will issue returns immediately upon physically receiving the returned goods parts and a return request from technicians or appropriate customer personnel. If any warranty fails to meet manufacturer warranty terms and NAPA IBS does receive credit, we will work with the customer to reissue the cost of the return to the appropriate asset. NAPA will maintain comprehensive warranty information and terms within the customer's fleet system as well, if requested.

As for core returns, NAPA IBS will either bill customers for cores or track the return of all cores – or – if the customer requests – we may set up a core bank which will be reconciled on a regular basis. When NAPA IBS issues out a part with a core value, the core value will automatically be billed to the separate core account. The core value remains on this account as pending awaiting return from the customer. NAPA will issue credit upon receiving the appropriate rebuild-able core. If the customer is unable to return a rebuild-able core within a timely manner, NAPA will issue the customer for the core value on the primary billing account.

To effectively track all core, warranty and new return parts - NAPA IBS will be able to provide the customer daily and on demand a list of open and pending cores to be returned to NAPA. New part returns and warranty returns are processed immediately and the customer is issued instant credit – no matter the vendor. All returns are measured exclusively in our TAMS Report RPT130 – Special Invoice Report and are reconciled daily by our on-site NAPA IBS manager and team.

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services.

Since we have brick and mortar store and warehouse operations in Alaska and Hawaii, they will have the exact same benefits as the other 48 states. Since they are part of the Genuine Parts Company family and NAPA network, NAPA branded products are delivered at the same cost as the mainland US. Freight and shipping for special order parts and parts not available through local and regional vendors would be vetted the same as in the 48 mainland states. Freight charges would be on an approval basis from the customer on special order and national vendors. NAPA also has export distribution centers on the West Coast (Sacramento) and East Coast (Miami) that already have international channels of distribution in place that can expand the services proposed in this agreement to the Caribbean, South America, and the South Pacific (including Guam).

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Self-audit process/program. NAPA IBS manages a similar process with audits on all 350+ IBS contracts nationally.

Corporate auditing and governance: First and foremost – as a publicly traded company, Genuine Parts Company is governed by Sarbanes-Oxley corporate governance and auditors as part of our public responsibility. Our business units in all company operations -- including IBS -- are audited on a regular basis.

IBS Corporate Auditing: Genuine Parts Company supplies each of our IBS locations with 3rd party inventory auditing through 3rd party contract inventory teams – per Sarbanes Oxley regulations. Each NJPA/NAPA IBS customer agreement will include monthly monitored electronic tracking of all customer purchases handled through our NAPA Headquarters in Atlanta, GA. The contracts will be subject to a quarterly compliance business review with involvement from the contract owner (GPC or independent dealer) and the customer and will be signed off and logged at NAPA Headquarters for compliance.

Parts Pricing and Operations Statements Compliance: Our HQ's IBS operations department -- listed in Form A of this response -- produces and reviews month end contract compliance reporting to insure each customers prices match their specific agreements with any deviation reported to the operations for corrections. This team will perform quarterly pricing reviews along with our local operations to ensure our customers receive contract pricing per our agreed NJPA contract. Our TAMS on-site point of sale system will be the system of record for all transactions – and we have dozens of daily, weekly and monthly reporting available to any IBS customer for contract margin compliance. In many of our IBS sites, we are very familiar with contract compliance and audit measures, so our team is seasoned to report and audit our operations. This transparency is reflected in our IBS NJPA contract agreement attached. As a rule, in many of our IBS contracts, we provide a specific market basket of products to our customer with specific margins and costs to ensure compliance – typically on a quarterly basis. Our customers may pick the parts from parts acquired in the contract and may ask us to do an analysis on our contract price vs. the price charged. For example, the City of Chicago -- on a quarterly basis -- currently randomly selects 100 skus from the market basket of parts supplied through our contract and asks us to produce acquisition cost proof in the form of a statement from the vendor we purchased the product. We then produce TAMS reports and billing showing specific markup in the billed parts vs. the contract price to ensure compliance. The audit needs of our NJPA contract customers may differ – so we write the information requirements specifically in our contract language. NAPA IBS lives in a transparent government and education fleet environment every day and takes price compliance very seriously.

One additional note: All IBS customer purchases are stored and protected in our GPC secured network daily. Purchases are held in two separate secure corporate servers/data warehouses and preserved for the term of the contract – for internal and external audit purposes.

NJPA Marketing Requirements: In regards to marketing and advertising requirements our VP of IBS will assign the designated IBS Marketing Coordinator to insure the IBS website has the most current NJPA marketing materials posted and maintained monthly.

Reporting Compliance: Our IBS Operations Department will be notified of all new members and will insure that the locations' purchases are properly tracked to insure accurate quarterly reporting to the designated NJPA representative. Under our current contract, we have customized reporting on our NJPA contract for the co-op. We can deliver sku level data and overall program progress to NJPA on quarterly basis.

Industry-Specific Items

24) Describe your on-site inventory management solution, if applicable.

Integrated Business Solutions or IBS - Overview of Turn-Key Services Provided: The primary function of NAPA IBS services is to provide an on-site, turnkey replacement parts, supply warehouse/store within the walls of the

customers we serve. NAPA IBS has the responsibility to staff, stock and manage the warehouse/stockroom parts inventory for the NJPA contract fleet customer.

Pre-contract Phase

Project Analysis: Prior to initiating contracts with NJPA members for our services, our initial service is to perform a project/financial analysis for the customer to determine the viability of the project. This analysis includes – but is not limited to: current parts pricing analysis, current hours of operations, staffing, technician service rates, inventory, historical fill rates and service levels, transactional costs, shop productivity, down vehicle history, fleet makeup, return part processes, and operational costs to maintain parts room, parts supply or warehousing for fleet or maintenance operation.

This co-operative analysis effort with the NJPA member will determine:

- Expected staffing and operational costs associated with managing the turnkey operation
- Projected initial parts vendors to be used in the operation
- Targeted key performance areas to be addressed in the agreement
- Project plan and timeframe of project launch

Once the NJPA member agrees to move forward, we move to the contract phase. *The last step in the pre-contract phase is to contact NJPA and get written documentation of the NJPA member status with our NJPA contract manager.*

Contract Phase

- NAPA IBS and NJPA member come to terms on specifics in the turnkey vendor managed IBS solution using the contract documents template proposed in the NAPA IBS response in this RFP –**Exhibit G**.
- Once a contract has been agreed to by both parties and NJPA member status has been verified, GPC legal will work with the customer to properly execute the contract.
- Once the contract is signed, NAPA IBS begins the project launch phase.

Project Mobilization/Launch Phase

NAPA IBS will next execute a well-organized project plan that includes:

- **Staffing Selection:** NAPA IBS staffs the personnel and management to operate each customer on-site parts warehousing location. We suggest the customer interview and approve on-site staff candidates and welcome their input and approval of our staff. The number of people and/or scheduling will be mutually agreed upon between the parties and accounted for every month with an audited operating statement. The following staff members will be mutually agreed upon by the NJPA contract customer and NAPA IBS: On-site staff may include:
 - Project managers
 - Site managers
 - Parts sourcing clerks
 - Inventory clerks
 - Paperwork clerks
 - Delivery drivers to source local pickup parts
- **Point of Sales/IT Implementation:** NAPA IBS installs our TAMS point of sale system of record within the proposed on-site location and connects all appropriate wide area network connections and software integrations. **NAPA IBS Exclusive:** Total Automotive Management System (TAMS) inventory management and point of sale billing computer system with the following capabilities: Invoicing, cataloging, master interchange, inventory control, custom pricing, inventory stocking information, inventory on order information, inventory on backorder information, lost sales reports and analysis, automatic inventory min/max review, inventory costing and much more. In addition, this system is a great benefit for the customer as it allows access to the area's largest inventory of automotive and heavy-duty replacement parts, paint, supplies and equipment. This access provides real-time warehouse stocking levels and electronically produces daily stock orders to the customer's location from NAPA's Distribution Centers to replenish the inventory on a regular basis.
- **Physical Inventory Count:** NAPA IBS provides -- at no charge to the customer -- an inventory count team comprised of NAPA team members to execute a full physical inventory of current fleet and warehouse parts and supplies. Once the full physical inventory is complete, our team provides bar coding, location loading, and

data loading of all applicable product into NAPA point of sale inventory system. NAPA IBS will work with customers to determine if there is an amount of working inventory that is in good, sellable condition and with a recent (24 month or less) significant purchase history. NAPA IBS reserves the right to inspect inventory and make a determination on the amount of inventory we may purchase up front on behalf of the NJPA member for use in their operation. Upon completion of physical inventory, NAPA and the customer will agree on the proper min/max levels for all products needed to meet fleet demands and contractual fill rates.

- **Vendor Orientation and Selection:** NAPA IBS takes the lead – with the assistance of the customer’s purchasing and fleet departments – to select a list of key vendors to meet with regarding pricing and supply terms for the project. This will consist of current fleet vendors and new fleet vendors.

Evaluation of Non-NAPA Vendors. With the current number of government customers utilizing the IBS program from NAPA IBS, we take our job very seriously on evaluating the vendors we use to serve our IBS contracts. As a result, we have strict criteria for any parts or supplies vendors who supply parts through our IBS services, including:

- Shipping performance and turnaround time from vendor to our customer site
- Order fill rate on special orders and stock replenishment orders – over 90% fill
- Warranty, core and returns procedures
- Product Quality -- understand the unique aspects of IBS as it relates to specifications and quality control within our customers fleets
- Electronic Ordering Capabilities
- Sales/Inventory Support – adaptable to changes or special requirements
- Pricing Support – pricing shall be competitive with the industry standard
- General Services
- Offering of Clinics or Technical Information
- Effective Cataloging
- Communication/Responsiveness

Local Business Enterprise. Every year our IBS sites spend millions of dollars with local, small and diverse business entities to support the contract customers we serve. NAPA IBS agrees to work with the customer to meet and exceed small business and diverse business spend goals. In addition, our IBS services include documentation and reporting of all small business and diverse business spends – as the customer requires.

- **Operational Work Flow Plan:** NAPA IBS will meet with all appropriate customer management to insure seamless transition in billing, service and support. This includes training all support staff on IT, billing, invoicing product, and service expectations. We will also take this time to ensure our new on-site employees will meet the safety and security standards within the customer’s place of business.

Store Go-Live

Our launch date arrives, the staff is in place, inventory has been signed off by both parties, and vendors are in place. NAPA IBS’s turn-key solution is fully operational and we are ready to execute the terms of our agreement.

NAPA IBS is now under contract to supply parts, supplies and services as put forth in our agreement.

Our day-to-day duties include:

Inventory controls and management: IBS agrees to be wholly responsible for the on-site inventory at the customer’s shops provided that the stock area is totally secured and NAPA is the only authorized party for access. ***NAPA IBS takes the burden of inventory cost*** by owning all parts and supplies inventory within the secured on-site parts room for the customer. NAPA IBS takes ownership of inventory replenishment, inventory costs, and continuous management. When we own the inventory, the customer only pays for parts as they use them instead of incurring inventory holding costs, obsolescence and loss.

Our on-site staff is required to maintain and manage min/max and service levels to meet the service requirements of our contract. That includes daily stock orders, special order parts, vendor negotiations and managing new part/core and warranty returns for customers. NAPA IBS will bar code parts we manage to ensure accuracy and will manage inventory records within a customer's fleet management system – if requested.

NAPA IBS may also offer the ability to work on *off-site inventory management solutions* with customers that have small, satellite shops that may not require staffing to manage their parts needs.

Parts and Supplies Sourcing – Non-Source (Non-NAPA) and NAPA Branded: NAPA IBS delivers a best-in-class solution to leverage our 350+ on-site operations and network of 62+ NAPA Distribution Centers and 6,000 NAPA stores by giving our on-site stores the ability to check inventory levels and order from any NAPA Distribution Centers in the entire United States with approximately \$1 billion in inventory availability. **In addition, our IBS sites have access** to the largest OE, proprietary, and aftermarket parts supply database in the industry (sourced parts/non-NAPA product) with over 1,300 non-NAPA manufacturers and distributors. This gives our customers broad geographic comparisons on parts supply resources in all 50 states and Canada.

NAPA IBS agrees to provide stock and non-stock O.E. equipment parts, supplies, and equipment or NAPA aftermarket items of equal or higher quality (unless directed differently by customer) including but not limited to the following:

- Automotive Replacement Parts – OE and aftermarket
- Light, Medium and Heavy Duty Parts – OE and aftermarket
- Bulk Oil and other Lubricants/Chemicals – including management of SDS sheets
- Tools and Equipment – including management of tool cribs for customers
- Automotive Accessories
- Paint and Refinishing Supplies
- Tires – multiple vendors across our 350+ store network
- MRO, safety and necessary operations supplies
- Necessary equipment for lube equipment for dispensing oils and greases or hydraulic hose making equipment

Parts Availability and Quality: If a situation arises where NAPA IBS cannot locate a given part, the customer will be notified. If NAPA IBS cannot provide the item within the time frame required, our customers are allowed to procure this item from another source. NAPA agrees to provide stock and non-stock O.E. equipment parts, supplies and equipment or NAPA aftermarket items in equal or higher quality to OE or to customer specs. NAPA agrees to allow customers to inspect the quality of materials, supplies and equipment proposed to be furnished and allow the customer to reserve the right to reject any item(s) that do not meet O.E. or fleet specifications.

Billing, Invoicing and Reporting day-to-day parts inventory, operations and parts activity:

- NAPA IBS has the responsibility to properly invoice all parts at the time of sale and **ensure all parts are billed to the proper work order** in the customer's system. We will also enter any information into the customer's fleet, billing or inventory database system at the time of sale as required by customer, including complete repair order information -- as required by customer.
- **NAPA IBS provides all daily and monthly reports** generated by TAMS computer upon request of the customer including key performance metrics of the customer contract.
- At the end of each month we provide the customer with a **detailed statement** showing all invoice numbers, sku level data, and amounts purchased – ensuring contract pricing transparency and detailed operating statement transparency. NAPA IBS will produce a separate detailed billing statement for the monthly operating expenses of the operation.

The level of staffing and operating expenses vary based on the size and scope of customers. A mutually agreed staffing plan is included in every NJPA contract. **Our sample staffing plan and sample operational expense recap for our IBS pricing models are included in Exhibit F of this response**

25) If you are proposing an on-site inventory management solution, can you customize it based on NJPA member requests? If so, please provide an example(s) of when and how you have done this.

A trademark of our NAPA IBS program is the customizability of our services around the needs of our customers. Our solution can customize the program for fleets of any size. Typical requests for customization usually revolve around inventory, staffing, and/or operations support.

We have hundreds of examples where government fleet customers have worked with NAPA IBS to build a specific custom solution for their fleet operations. Some important solutions are outlined below:

State of Georgia – Independent Involvement to support NJPA State Contract

The State of Georgia broke new ground by adopting the NJPA contract for parts and supplies and related services in 2010. As part of that project, the State asked us to reach out to local small business NAPA independent owners in Georgia and coordinate an effort to solicit IBS services as part of the State of Georgia NJPA contract. Our local IBS sales resources and NAPA IBS Headquarters resources worked with State of Georgia resources to find specific opportunities within the State. The result of our NJPA IBS campaign was the addition of several new K-12 IBS contracts on the existing State of Georgia contract that includes: Newton County Schools, Muscogee County Schools, and Richmond County Schools – all IBS sites managed by small business, Georgia-based ownerships. This was a win-win for all parties involved.

The State of Georgia was able to help local County K-12 organizations through the cooperative NJPA contract and brought significant business to the small business Georgia-based NAPA owners in Georgia. The K-12 organizations gained big savings by getting out of the inventory business and showed huge productivity gains by having NAPA IBS operate their parts operations. The small business NAPA owners gained new business and were able to support the State of Georgia in their efforts to gain contract adoption through our IBS contracts. This was a great example of how co-operative purchasing should work.

Dallas County Schools – Staffing

In 2014, NAPA IBS worked with another educational opportunity in Texas. The customer understood the many benefits of IBS – inventory, productivity, procurement leverage, and transactional savings. They operate 11 school bus garages across a large metropolitan area. They had several key current employees who would fit our new IBS model. Our customer solution for Dallas County Schools included Genuine Parts Company hiring several of their current parts staff to our company, giving them the training and tools provided in our IBS program – including them in the solution. This was a win-win for Dallas County Schools and NAPA IBS: The Schools were able to restructure their staffing to better serve the public while the staff were given an enhanced role in management of our GPC IBS operations and the schools got the financial benefits of IBS.

City of Chicago – Inventory Management Process

When NAPA IBS entered into our IBS agreement with the City of Chicago Fleet operations in 2000, their primary need was a growing obsolete and excessive parts inventory of over \$20 million dollars. NAPA developed a customized plan to work with existing vendors and new vendors with one main goal: Help the City out of a \$20 million dollar inventory liability while leveraging the power of our NAPA IBS services. As NAPA IBS added important inventory on our books to service the fleet, we worked with other vendors to reduce the City-owned parts and supplies inventory organization-wide. The results of this customized inventory effort:

- City of Chicago-owned inventory was reduced from \$20,000,000 to \$3,000,000 within the first 3 years of the contract.
- The current City owned inventory is valued under \$500,000. Most of the City owned inventory is made up of internally fabricated and rebuilt parts, used and recapped tires, and warranty compensated parts.
- The balance of City owned inventory (managed by NAPA) is issued at no charge until depleted.
- The City was able to eliminate the parts inventory annual investment.
- NAPA owns the majority of the City parts inventory – over \$5.5 million currently.
- Annual losses due to obsolescence and shrinkage were eliminated.

26) What is your parts fill rate, if applicable?

Another trademark of our IBS program for fleet and warehouse operations is our ability to track and report regular parts fill rates on the parts and supplies we maintain for fleet operations. In fact, we believe in fill rate requirements so much that we make it a requirement in our IBS contract. This allows us to give our operations a daily report card in fill rate activity – the real measurement of our program. By tracking every transaction and being integrated into the operation, we can provide valuable information to our fleet IBS customers on the status requests for parts.

With the wide range of fleets we service, NAPA IBS has different fill rate requirements in most contracts. The IBS standard – after initial mobilization, inventory and vendor agreements, service changes and integration is to achieve 90 percent fill rates for on-demand, standard use items within a specified fill rate timeframe based on the customer. From our experience, there will always be non-standard parts requests -- some special orders, some new product sourcing, and some special build requests -- that are not able to be filled on demand. NAPA IBS sites work with customers in the first weeks of an operation to analyze current inventory and purchase history to build and invest in a model to hit the customer's productivity goals. Within the first 120 days of operation – scope and inventory needs differ – we are usually able to deliver 80% of all parts requests on demand as we work through prior fleet data, current inventory, and vendor selection in the new project. Within the first 6-12 months of operation we target 90%+ fill rate on demand.

Signature: _____



Date: _____

6/7/15



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

D.3.

Meeting Date: 04/02/2018

Prepared By: Scott Shadden, Director of Developmental Services

Approved By: Robby Hefton, City Manager

Caption:

*** RESOLUTION NO. 6360**

Authorizing Execution of an Agreement with Jose E. Tobar for the Abatement of Ad Valorem Property Taxes for the Construction of a New Single-Family Residence at 823 North Branch Street

Issue:

This item is to consider property tax abatement for the construction of a new single-family residence at 823 North Branch Street.

Background:

Several years ago, the City Council began a residential tax abatement program to encourage the redevelopment of older sections of town. This application is for the construction of a new single-family residence at this location. This lot is in the current designated zone for residential tax abatement.

Origination:

Jose E. Tobar, Owner

Financial Consideration:

A \$75.00 application fee has been received for this residential lot. If granted, the initial abatement for this property will be approximately \$299.11 annually.

Staff Recommendation:

The staff recommends approval of this abatement since it meets the requirements of the process.

Alternatives:

The City Council could decide against granting this abatement.

Attachments

Resolution No. 6360

Residential Tax Abatement Agreement

Application

Warranty Deed

Building Permit

Site Plan

Location Map

Photo

Reinvestment Zone Map

RESOLUTION NO. 6360

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOSE E. TOBAR FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 823 NORTH BRANCH STREET; 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 receipt of a fully-executed agreement from Jose E. Tobar 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 Jose E. Tobar for the abatement of ad valorem property taxes for a period of ten (10) years, for the construction of one (1) new single-family residence at 823 North Branch Street, lying within the City of Sherman's Residential Tax Reinvestment Zone, in accordance with the City's policies and procedures established for this purpose.

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 _____, 2018.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

**APPROVED AS TO FORM
AND CONTENT:**

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

THE STATE OF TEXAS §
 §
COUNTY OF GRAYSON §

AGREEMENT

THIS AGREEMENT, entered into by and between the **CITY OF SHERMAN, TEXAS**, a home rule city and municipal corporation of the State of Texas, duly acting herein by and through its City Manager, hereinafter referred to as CITY, and **JOSE E. TOBAR**, hereinafter referred to as OWNER,

WITNESSETH:

WHEREAS, on the 18th day of April, 2011, the City Council of Sherman, Texas, passed Ordinance No. 5692 establishing a reinvestment zone for residential tax abatement, as authorized by Chapter 312 of the Texas Tax Code, as amended, hereinafter referred to as CODE; and

WHEREAS, the CITY has adopted a resolution (Resolution No. 6210) stating that it elects to be eligible to participate in a residential tax abatement program; and

WHEREAS, the CITY desires to create the proper economic and social environment to induce the investment of private resources in real estate construction located in incorporated areas of the CITY; and

WHEREAS, the CITY hereby finds that it may effectively encourage and assist the creation of such an environment by participating in tax abatement pursuant to the CITY; and

WHEREAS, the CITY has created a reinvestment zone within its jurisdiction to induce the investment of private resources in real estate construction located in incorporated areas of the CITY, and OWNER has agreed to construct certain real property improvements; and

WHEREAS, OWNER is prepared to comply with the provisions of the CITY'S guidelines and criteria enacted the 18th day of April, 2011;

NOW, THEREFORE, WITNESS THIS TAX ABATEMENT AGREEMENT which provides as follows:

I.

1.01 To the extent authorized by the Texas Constitution and by the Tax Code, CITY hereby agrees to exempt from City of Sherman taxation a portion of the increase in value of taxable real property of OWNER in the CITY over the same real property and its value as calculated by the Grayson Appraisal District for ad valorem property tax purposes in accordance with the following schedule. Such tax exemption shall be in effect for tax years beginning January 1, 2017, and continuing for tax years 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026 and 2027, with

same constituting ten (10) tax years. However, nothing contained herein shall be construed to grant an abatement of taxes to be assessed based on the change of use of the property from an agricultural use to another use, sometimes referred to as rollback taxes, penalties or interest. In the event rollback taxes are applicable for the real property utilized by OWNER, then such increase in value of taxable property resulting from such rollback shall be used as the tax value for such property for the tax year 2018, sometimes referred to herein as the Base Tax Year.

SCHEDULE OF TAXES ASSESSED

<u>TAX YEAR</u>	<u>ABATEMENT</u>
2018	100%
2019	100%
2020	100%
2021	100%
2022	100%
2023	100%
2024	80%
2025	60%
2026	40%
2027	20%

II.

2.01 OWNER warrants and represents that the real property upon which OWNER has constructed or will construct improvements is qualified property within the meaning of that Act, and that such has been and will remain eligible for tax abatement under the provisions of the Property Redevelopment and Tax Abatement Act, Sections 312.001, et seq., Texas Tax Code.

2.02 To continue to qualify for tax abatement under the terms of this Agreement, OWNER hereby warrants and represents that the improvements made by OWNER on the real property described herein are for residential use.

2.03 The tax abatement granted under the terms of the Agreement shall only be implemented if appraised value of all real property and improvements located thereon owned by OWNER and lying within designated zone exceeds the base year value. The OWNER agrees that Grayson Appraisal District shall, at reasonable times upon reasonable notice, have access to the property made the subject of this Agreement, and that the above set forth inspectors shall be able to inspect the property to insure that the improvements are being made in accordance with the terms and conditions hereof and utilized in accordance with this Agreement.

III.

3.01 The term of this Agreement shall be for tax years 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026 and 2027, as indicated above in paragraph 1.01.

IV.

4.01 The kind, number and location of all proposed property improvements are set forth as follows:

Construction of one (1) new single-family residence at 823 North Branch Street, Sherman, Texas, and as more particularly described by the following:

BEING Lot 6, Block 2, Hall & Jones Addition

5.01 OWNER agrees that, should he fail to make improvements substantially as described or fail to perform any other term or covenant hereof, CITY shall have the right, after giving notice and opportunity to cure as hereinafter set out, to recapture all tax revenue on said property in the zone lost as a result of this Agreement for the entire term of the Agreement. Such recapture shall mean that all of such property shall be taxed at the full improved value as assessed by the Grayson Appraisal District for all years this Agreement has been in effect. The payment of such recaptured taxes minus any taxes paid by OWNER during the years this Agreement has been in force shall be due January 1 of the next following year and shall be delinquent if not paid on or prior to January 31st. Penalties and interest shall be calculated thereafter as if all taxes had become due in the same year. The CITY agrees prior to enforcement of the terms of this paragraph to give 120 days written notice to the address shown below of OWNER'S default in completing the improvements called for in this Agreement, and OWNER shall have the right to cure such default within the 120-day period.

VI.

6.01 This Agreement shall inure to the benefit of CITY and OWNER, and shall be binding upon them, their heirs, successors and assigns. It is specifically provided and agreed that the right to tax abatement shall inure to the benefit of subsequent owners so long as the term and conditions of this Agreement are in effect.

VII.

7.01 CITY agrees that this Agreement may be assigned and the improvements leased or sub-leased, without any further necessity for consent, by the OWNER to any person, firm or corporation.

VIII.

8.01 At any time before the expiration of the term hereof, this Agreement may be modified by the mutual action of the parties hereto to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. Such modification must be in writing and signed by all the parties hereto and made by the same procedure by which the original Agreement was approved and executed. In no event may

the original Agreement be modified so as to extend the term beyond the original term of this Agreement.

IX.

9.01 This Agreement shall be construed subject to the laws of the State of Texas, and particularly to the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.

9.02 All appraisal values for real property shall be made by the Grayson Appraisal District or such other entity as may succeed or replace such District.

9.03 OWNER is hereby notified that the Grayson Appraisal District may impose additional requirements which must be met in order for OWNER to realize the benefit of tax abatement and this Agreement. Contact should be made by OWNER with the District in person at 512 North Travis Street, Sherman, Texas, or by telephone at (903) 893-9673.

X.

10.01 This Agreement is subject to all provisions of all outstanding bond issues of CITY. To the extent that this Tax Abatement Agreement conflicts with any of the provisions of such bond issues, such bond issues and attendant documents thereto shall control.

XI.

11.01 This Tax Abatement Agreement is specifically subject to present laws of the State of Texas and any future laws enacted subsequent to the execution of this Agreement which may provide retroactively for a modification of Agreements of this type as a matter of law. Upon the effective date of any such law, then this Agreement shall automatically be so modified.

XII.

12.01 Notices required by this Agreement shall be mailed to the following addresses as same may be in the future changed by either party upon written notice to the other:

City of Sherman
P.O. Box 1106
Sherman, Texas 75091-1106
(903) 892-7200

Jose E. Tobar
635 Preston Meadows Road
Sherman, TX 75092
(903) 816-0146

Copy to: Grayson Appraisal District
512 North Travis Street
Sherman, Texas 75090
(903) 893-9673

This Agreement is performable in Grayson County, Texas. Witness our hands on this the _____ day of _____, 2018.

CITY:
CITY OF SHERMAN, TEXAS

OWNER:
JOSE E. TOBAR

BY: _____
ROBBY HEFTON
CITY MANAGER

BY: _____
JOSE E. TOBAR
OWNER

ATTEST:

BY: _____
LINDA ASHBY
CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY
CITY ATTORNEY

THE STATE OF TEXAS §
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **JOSE E. TOBAR** 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 express.

GIVEN UNDER MY HAND and seal of office this _____ day of _____, 2018 A.D.

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

**CITY OF SHERMAN
APPLICATION FOR RESIDENTIAL TAX ABATEMENT**

Property Owner:

Name: Jose E. Tobar

Mailing Address: 635 Preston Meadows Rd

Telephone Number: Sherman TX 75092 (903) 816-0446

Contact (if different than owner):

Name: Same

Mailing Address: _____

Telephone Number: _____

Property:

Physical Address: 823 N. Branch St.

Summary Legal Description: Lot: 6 Block: 2 Addition: Hall & Jones

Full Legal Description: Include as an attachment a full legal description with metes and bounds.

Improvements:

Type of Improvements (please check one). ☒ New Construction: _____ ☐ Remodeling: _____

Estimated Value of Improvements: \$75,000

Estimated Date of Start of Construction: 03/04/18

Estimated Date of Completion of Project: ~~05/01/18~~ 07/07/18

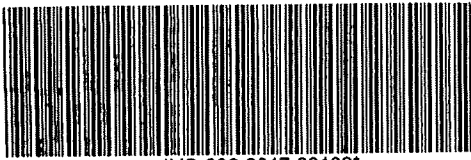
Description of Project: _____

New floor

Applicant(s): [Signature]

Date: 03/04/18

Date: _____



VG-286-2017-22109

**Grayson County
Wilma Bush
County Clerk**

Instrument Number: 2017 - 22109

Real Property Recordings

Recorded On: October 04, 2017 11:15 AM

Number of Pages: 3

Parties: ROY JANET

" Examined and Charged as Follows: "

Total Recording: \$20.00

******* THIS PAGE IS PART OF THE INSTRUMENT *******

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 22109
Receipt Number: 20171004000080
Recorded Date/Time: October 04, 2017 11:15 AM
User: Josh M
Station: CLERK06

Record and Return To:

RED RIVER TITLE CO
421 N CROCKETT ST
SHERMAN TX 75090



STATE OF TEXAS
COUNTY OF GRAYSON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Grayson County, Texas.

Wilma Bush
County Clerk
Grayson County, TX

0125837

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL WARRANTY DEED

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

JANET ROY, A MARRIED WOMAN, NOT JOINED HEREIN BY HER SPOUSE AS THE PROPERTY HEREIN CONVEYED CONSTITUTES NO PART OF THEIR HOMESTEAD ("Grantor"), whose mailing address is 117 Arapaho East, Sherman, Texas 75092, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash and other good and valuable consideration to Grantor in hand paid by JOSE E. TOBAR ("Grantee"), whose mailing address is 623 Preston Meadows Rd., Sherman, Texas 75092, the receipt and sufficiency of which consideration is hereby acknowledged and confessed, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto Grantee, the following real property, together with all improvements thereon (the "Property"):

BEING LOT SIX (6) IN BLOCK TWO (2) OF HALL & JONES ADDITION TO THE CITY OF SHERMAN, TEXAS, AS SHOWN BY PLAT OF RECORD IN VOLUME 58, PAGE 245, DEED RECORDS, GRAYSON COUNTY, TEXAS.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in any way belonging to have and to hold unto Grantee, and Grantee's heirs, successors and assigns, forever; and Grantor does hereby bind Grantor and Grantor's heirs and successors to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee's heirs, successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to (i) the liens securing payment of ad valorem taxes for the current and all subsequent years and (ii) easements, liens, reservations, covenants, conditions, and restrictions of record in Grayson County, Texas, or visible or apparent on the ground to the extent the foregoing affect the Property. By acceptance of this deed, Grantee assumes and agrees to perform all of the obligations of Grantor under said easements, reservations, covenants, conditions and restrictions, and agrees to pay and indemnifies and agrees to hold Grantor harmless from and against all ad valorem taxes relating to the Property, for the current and all subsequent years.

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

EXECUTED AS OF AND EFFECTIVE the 4 day of ^{OCTOBER}~~September~~, 2017.

GRANTOR:

Janet Roy
JANET ROY

ACKNOWLEDGEMENT

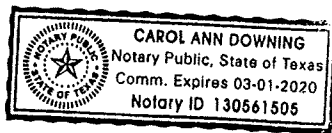
STATE OF TEXAS

§

§

COUNTY OF GRAYSON §

Before me, a Notary Public, on the 4 day of OCTOBER, 2017, personally appeared **JANET ROY**, who acknowledged that she did sign the foregoing instrument, and acknowledged to me that she executed the same for the uses and purposes and consideration therein expressed.



CAD
Notary Public, State of Texas

PREPARED IN THE OFFICE OF:

THE HAY LEGAL GROUP PLLC
611 W. 5th Street, Suite 300
Austin, Texas 78701

CITY OF SHERMAN
RESIDENTIAL BUILDING PERMIT

PERMIT #: 180431 SUBCONTRACTOR: TOBAR PROPERTIES LLC DATE ISSUED: 3/05/2018

PROJECT ADDRESS: 823 N BRANCH ST
PARCEL ID:
SUBDIVISION:

LOT #:
BLK #:
ZONE ORD:

ISSUED TO: TOBAR PROPERTIES LLC
ADDRESS:
CITY, ST ZIP: SHERMAN TX 75092
PHONE: 903-816-0416

CONTRACTOR: TOBAR PROPERTIES LLC
ADDRESS:
CITY, ST ZIP: SHERMAN TX 75092
PHONE:

PROP. USE: SINGLE FAMILY RESIDENTIAL
WORK: NEW RESIDENTIAL CONSTRUCTION
VALUATION: \$ 70,000.00
OCCP TYPE: SINGLE FAMILY RESIDENTIAL
CNST TYPE: WOOD FRAME

SQ FT: 1,260.00
BEDROOMS: 3
BATHROOMS: 2
STORIES: 1

FEE CODE	DESCRIPTION	AMOUNT
BLD10	RESIDENTIAL STORMWATER MGMT	\$ 25.00
TOTAL		\$ 25.00

NOTES:

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 6 MONTHS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED.

I HEREBY CERTIFY THAT I HAVE READ AND EXAMINED THIS DOCUMENT AND KNOW THE SAME TO BE TRUE AND CORRECT. ALL PROVISIONS OF LAWS AND ORDINANCES GOVERNING THIS TYPE OF WORK WILL BE COMPLIED WITH WHETHER SPECIFIED HEREIN OR NOT. GRANTING OF A PERMIT DOES NOT PRESUME TO GIVE AUTHORITY TO VIOLATE OR CANCEL THE PROVISION OF ANY OTHER STATE OR LOCAL LAW REGULATING CONSTRUCTION OR THE PERFORMANCE OF CONSTRUCTION.

(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT)

03/05/18.

DATE

(APPROVED BY) FLOOD PLAIN ADMINISTRATOR

3/5/18

DATE

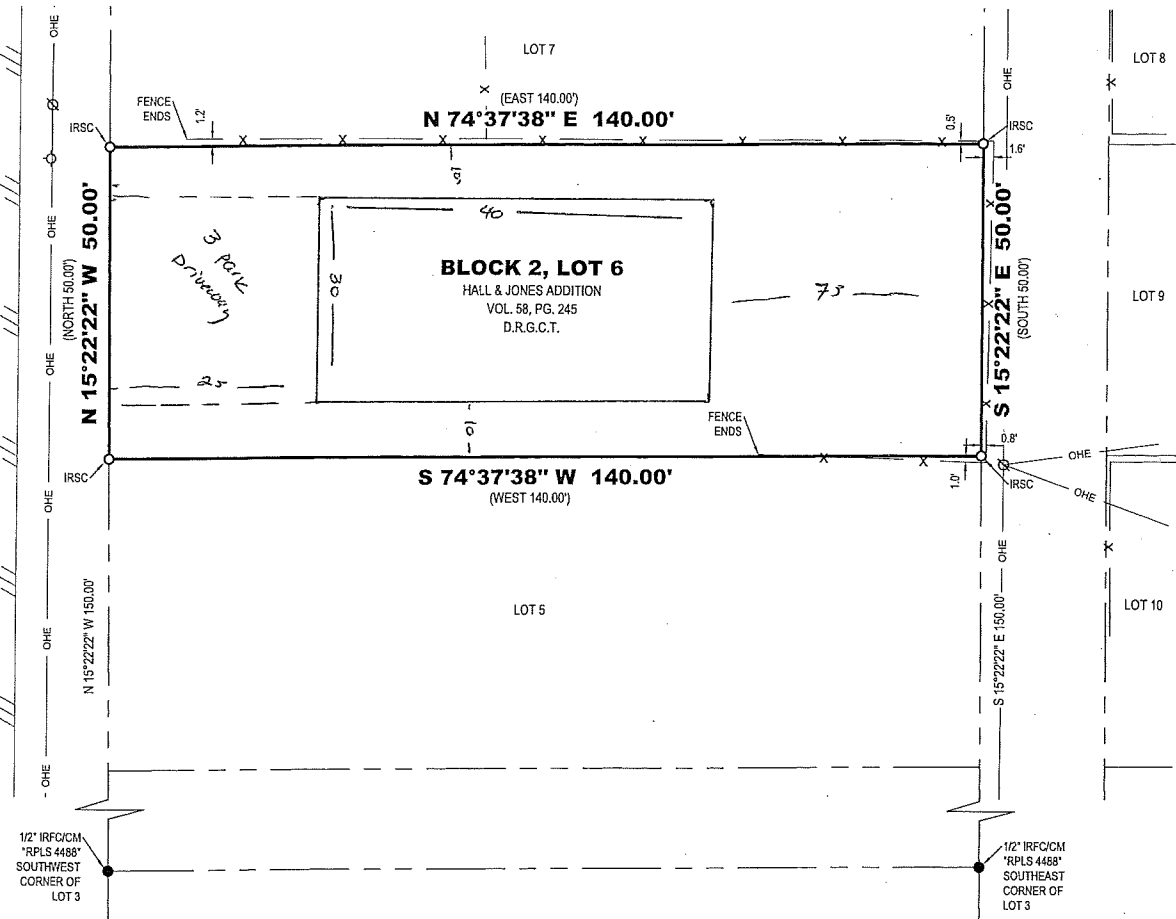
(APPROVED BY) BUILDING & ZONING

3/7/18

DATE

NORTH BRANCH STREET

(± 31' ASPHALT SURFACE, UNSPECIFIED WIDTH R.O.W., VOL. 18, PG. 63, D.R.G.C.T.)



All bearings shown are based on grid north of the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

LAND DESCRIPTION:

BEING Lot SIX (6) in Block TWO (2) of HALL & JONES ADDITION, an Addition to the City of Sherman, Texas, as shown by Plat of record in Volume 58, Page 245, Deed Records, Grayson County, Texas.

GENERAL NOTES:

This survey was completed without the benefit of a title commitment. Easements and/or other matters of record may affect the surveyed property. The Surveyor did not perform an Abstract of Title.

FLOOD STATEMENT:

I have examined the F.E.M.A. Flood Insurance Rate Map for Grayson County, Texas, Community Number 485509, effective date 09/29/2010 and that map indicates that this property is within "Non-shaded Zone X" defined as "Areas determined to be outside the 0.2% annual chance flood" as shown on Panel 0290 F of said map. This flood statement does not imply that the property and/or structures thereon will be free from flooding or flood damage, on rare occasions, greater floods can and will occur and flood heights may be increased by man-made or natural causes. This flood statement shall not create liability on the part of the surveyor.

Certify to: Tobar Properties;

I, Chris R. Noah, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that this survey has been prepared from an actual on-the-ground survey of the premises depicted hereon and described in the land description attached hereto, conducted under my direction and supervision on 01/11/2018, and there are no discrepancies, conflicts, shortages in area or boundary line conflicts, or any intrusions of visible improvements from adjoining tracts, or protrusions of visible improvements onto adjoining tracts, to the best of my knowledge and belief, except as shown. I further certify that this survey meets or exceeds the minimum standards established by the Texas Board of Professional Land Surveying.

Chris R. Noah

Chris R. Noah, R.P.L.S. No. 6585



LEGEND

● FOUND MONUMENT	D.R.G.C.T.	DEED RECORDS, GRAYSON COUNTY, TEXAS
○ SET MONUMENT		
IRSC 1/2" IRON ROD W/ "PRESTON TRAIL LAND SURVEYING, RPLS 6585" CAP SET	☒	UTILITY/POWER POLE
IRFC IRON ROD FOUND W/PLASTIC CAP	☒	FIRE HYDRANT
CM CONTROLLING MONUMENT	---	BOUNDARY LINE
() DEED OR PLAT CALL	---	ADJOINER LINE
R.O.W. RIGHT-OF-WAY	x---	CHAIN LINK/WIRE FENCE
VOL., PG. VOLUME, PAGE	///	ASPHALT
	==	OVERHEAD ELECTRIC/UTILITY

TITLE SURVEY HALL & JONES ADDITION BLOCK 2, LOT 6

823 North Branch Street, Sherman
Grayson County, Texas



83493 N. State Hwy 289, Suite 5
Pottsboro, TX 75076
www.prestontrailandsurveying.com
903-786-6029

TBPLS Firm No. 10194175	Drawn by: BNH Checked by: CRN	Scale: 1"=20' Date: 01/17/2018	Project No. 18-0010 Sheet No. 1 of 1
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823 North Branch Street

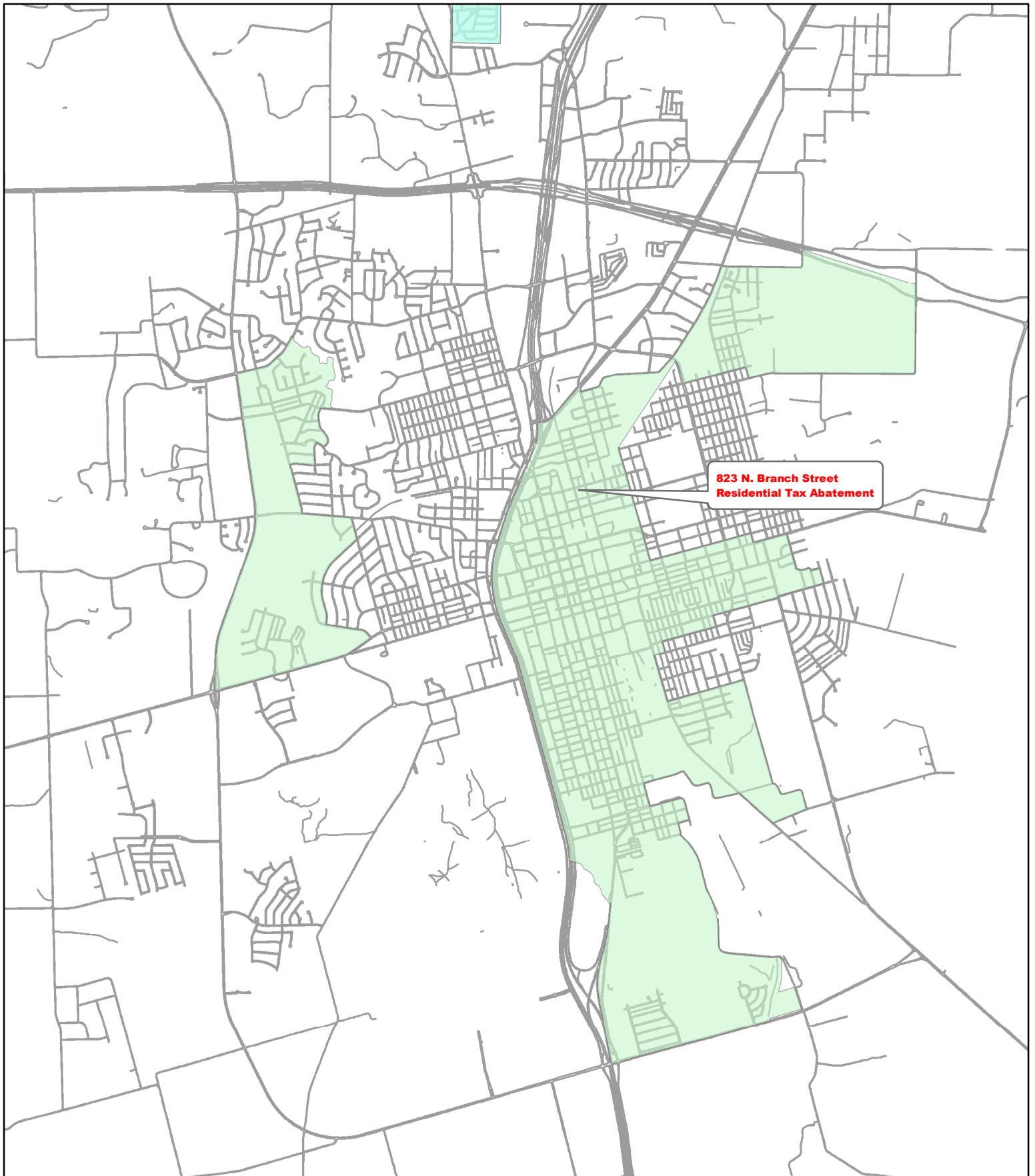


1 in = 300 ft

City of Sherman, Texas
Developmental Services Department

823 N. Branch Street





823 North Branch Street Residential Tax Abatement



City of Sherman, Texas
Developmental Services Department



NOT TO SCALE
1 inch = 4,000 feet



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.1.

Meeting Date: 04/02/2018

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Quarterly Progress Report from Sherman Economic Development Corporation Board Chairman John Sild

Issue:

To receive the Sherman Economic Development Corporation (SEDCO) quarterly progress report from Board Chairman John Sild

Background:

The brief presentation by the SEDCO Board Chairman 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 December 18, 2017 regular meeting.

Origination:

City Council

Financial Consideration:

This presentation is for informational purposes only and has no impact on the City's revenues or expenses.

Staff Recommendation:

No action is required of the City Council.

Alternatives:

None recommended

Attachments

SEDCO's Quarterly Progress Report

REPORTING FORM FOR BOARDS AND COMMISSIONS

Name of Board: Sherman Economic Development Corporation

Name of Chairman: John Sild

Name of Vice Chairman: Brad Douglass

Date of Report to City Council: April 2, 2018

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).

- *The SEDCO Board of Directors approved Performance Agreements with Finisar Corporation and Presco Polymers, LP. The totals of these projects include: capital investment (\$160,950,000) and incentives (\$1,047,500).*
- *The SEDCO Board of Directors completed Performance Agreements with Eaton B-Line and Cellarman's. The totals of these projects include: capital investment (\$1,026,126) and incentives (\$56,517). Cellarman's payment included a \$12,842 "Buy Local" grant.*
- *SEDCO made initial incentive payments to J.P. Hart Lumber Company, LLC and Elevate Recoveries, LLC. The totals of these projects include: capital investment (\$9,720,000), jobs (97), and incentives (\$425,000).*
- *The Finisar/Apple Sherman project made the list of finalists for the Dallas Business Journal's Best Real Estate Deals of 2017 Awards. The project was selected as one of three finalists in the Rehab or Reuse category and is also one of 52 vying for the Deal of the Year Award. Winners will be announced on April 11th.*
- *The National Human Resources Marketing Campaign launched on January 16th. The campaign markets Sherman industry openings to jobseekers through digital, social media, radio, print, and billboard advertisements. Through these efforts, jobseekers are directed to SEDCO's new job database, ShermanTXJobs.com, where they will find a list of current job openings and contact information for sending applications and resumes. We are currently collected data from the industries, CBS, and Google AdWords.*

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

- *SEDCO will work to compete aggressively for the attraction of new jobs and investments to the city from existing Sherman employers and new companies, both nationally and internationally.*
- *SEDCO will work closely with companies that have announced new investments in Sherman to ensure they have the support to meet their goals and receive the incentives as identified in the Economic Development Performance Agreements.*
- *Current infrastructure projects including the Northgate Drive extension and preparing Progress Park VI to show to prospects.*
- *In May, Frank Gadek will attend the Industrial Asset Management Council's (IAMC) Spring Forum in Savannah, Georgia. SEDCO has registered as a Texas Dinner Host for site selectors.*
- *SEDCO will continue to assist the existing industries in filling their open positions by maintaining ShermanTXJobs.com and marketing the website through Google AdWords, social media, and two local billboards.*
- *The Dallas Business Journal contract will continue with ads on April 20th, May 11th, and June 29th.*
- *SEDCO will continue the production of nine marketing and existing industry videos.*

- *The Ace of North Texas marketing campaign will launch this spring and features a branded USB loaded with videos, property data sheets, aerials, community demographics, etc. and a deck of branded playing cards.*
- *SEDCO will continue the monthly newsletter and company spotlights.*
- *The next Leadership Breakfast is scheduled for May.*
- *SEDCO will host a Safety Leaders Forum at Kaiser Aluminum on April 26th.*
- *On May 5th, SEDCO will host an Industry Appreciation Picnic from 2:00-5:00 at Pecan Grove Park West Amphitheater. The Sherman industries and their families have been invited to enjoy an afternoon of fun activities and snacks. This event is an opportunity for the SEDCO Board and Staff to say, "Thank you" for their contribution to Sherman. The picnic will also feature the 1st Sherman Industry Showdown.*
- *The staff will speak to the Leadership Sherman class on May 16th during Economic Development Day.*
- *SEDCO will host a Plant Managers Forum on May 16th.*
- *SEDCO will continue to serve and assist with the following student workforce development programs:*
 - *Career Connection Job Fair on April 12th*
 - *Interview Industrial Maintenance Technician (IMT) Program candidates in April*
 - *Award IMT scholarships and introduce mentors to students in May*
 - *Advanced Manufacturing Program (AMP) End-of-Year Celebration on May 7th*
 - *IMT Graduate Reception & Graduation on May 10th*
 - *Sponsoring 10 teachers, counselors, and administrators for the Business Education for Teachers during the second week of June*

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

- *The SEDCO Board meets on the second Tuesday of each month and holds special called meetings when needed. Since our last report, the SEDCO Board held two regularly scheduled meetings (January 9th and February 13th) and three special called meetings (February 27th, March 9th, March 22nd).*

5. In what percentage of those meetings 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 is presently working 8 active projects with an estimated \$325,000,000 in investments and 1,220 new jobs.*
- *SEDCO continued hosting site visits from companies interested in a possible Sherman location and spoke with site selectors, consultants, and real estate professionals interested in learning more about our community.*
- *In January, a commercial sign was installed at Progress Park VI.*
- *The Winter Leadership Breakfast was held on January 16th.*
- *On January 25th, Stacey Jones spoke at the Texas A&M AgriLife Extension Service-Grayson County, Leadership Advisory Board Annual Volunteer Dinner about AMP.*
- *On January 25th-26th, Frank Gadek attended the Business Retention and Expansion course in Las Vegas to earn professional development credits towards his Certified Economic Developer recertification.*

- On February 1st, the City of Sherman broke ground on Fire Station No. 4 in Progress Park I. In January, the SEDCO Board of Directors approved the General Warranty Deed to the City of Sherman for the 7.7109-acre tract, which is located on the east side of Northgate Drive.
- On February 15th, the SEDCO Board approved an Assignment Sale Agreement to purchase 0.84 acres east of the 22 acres SEDCO currently owns at 224 E. FM 1417 from 58 Aggie Development, LLC. The sale closed on March 20th.
- On February 27th, the SEDCO Board approved an Addendum to the Sherman Economic Development Corporation Economic Development Performance Agreement with J.P. Hart Lumber Company, LLC to amend sections 1.2, 2.1, and 2.2 of the Performance Agreement to increase the investment value from “between \$5.5 Million and \$6.5 Million” to “up to \$9.5 Million.”
- On March 2nd, representatives of the City of Sherman and SEDCO toured Finisar with Congressman John Ratcliffe and his staff to view the progress of the facility’s remodel.
- On March 21st, Stacey Jones served as the moderator for the “Partners in Education: Meeting the Workforce Needs of Texoma” panel at Austin College’s Regional Leadership Breakfast
- On March 25th, Stacey Jones earned the Certified Economic Developer (CEcD) designation in Washington, DC.
- On March 29th, Frank Gadek attended the IAMC Local Dallas event in Plano. This event featured workshops over site selector trends, a build-to-suit primer, and local trends & topics.
- SEDCO’s Austin College intern, May Nguyen fulfilled her Jan Term internship project by managing the content on ShermanTXJobs.com and creating print and billboard ads for the National Human Resources Marketing Campaign. May has extended her internship through the spring semester, and the focus of her project is SEDCO’s annual event.
- SEDCO continued the Business Retention and Expansion (BRE) Program with the following:
 - Sherman Plant Managers Forum on January 10th
 - Safety Leaders Forum on January 25th
 - Existing industry visits: CertainTeed Corporation, Christmas Designers, Consolidated Container Company, Eaton, GlobiTech, Modular Power Solutions, Nature’s Source/Ball DPF, Omega Industries, Presco, Robit USA, LLC, Sunny Delight, and Synergy Windows and Doors, LLC.
- SEDCO continued to serve and assist with the following student workforce development programs:
 - We hosted an Industrial Maintenance Technician (IMT) End-of-Semester Celebration. The five students have successfully completed the first five classes of the program, and we invited their mentors and the company sponsor to the classroom for lunch to celebrate their success. Everyone received an IMT shirt, and the students received IMT jackets.
 - On January 18th, we presented the IMT Program to the juniors in the career pathways that compliment this program.
 - On January 19th, an AMP Contributor Lunch was held at Grayson College to show appreciation to the Texas Workforce Commission and the entities that contributed to the two matching grants which are furnishing the equipment for the new AMP Lab. The lunch was followed by a tour of the new facility and the AMP Lab Ribbon Cutting.
 - On January 24th, 34 students and 25 mentors attended the AMP Mid-Year Celebration. The event included a meal sponsored by SEDCO and Denison Development Alliance (DDA). Emerson and Eaton gifted jackets, monogrammed with their name and the Made In Texoma logo, to the AMP students and instructors.
 - Approx. 400 Sherman eighth graders and more than 170 Denison eighth graders toured the Sherman industries in January and February.
 - AMP pledged to raise \$200,000 from the industry partners, and \$145,000 has been raised so far. The Texas Industry Partnership Grant matched \$100,000 of those funds and along with contributions from SEDCO, DDA and matching grant funds from the Texas Workforce Commission has been used to purchase equipment for the AMP Lab. The remaining funds

contributed by the industry partners will be used for tuition, books, equipment and transportation needs.

- *The AMP commercial was featured on the Cinemark screens and on KXII, KTEN and the local radio stations. The Herald Democrat also ran print and digital ads.*
- *On March 6th, a group of Sherman High School juniors toured the Industrial Maintenance Technology Lab at Grayson College. Each of the students have completed scholarship applications.*
- *The CBS Radio advertising contract completed at the end of March.*
- *SEDCO continued to update the existing industry and marketing videos. Six of the nine contracted videos are currently in production.*
- *SEDCO placed ads in the Dallas Business Journal on January 19th, February 9th, and March 2nd.*
- *SEDCO continued its partnership with Texas Aviation Partners, Grayson County, and Denison Development Alliance on marketing the North Texas Regional Airport.*
- *The staff attended the following events and meetings:*
 - *Advanced Manufacturing Lab Ribbon Cutting*
 - *AMP Manufacturing Consortium Meeting*
 - *Business Education for Teachers Planning Meeting*
 - *Career Connection Committee Meeting*
 - *Child and Family Guidance Board*
 - *City Council Meeting*
 - *Coffee with the Mayor*
 - *CTE Advisory Board Meeting*
 - *CWL Board*
 - *Denison's 17th Annual Economic Development Summit*
 - *Emergency Center of North Texas Pre-Grand Opening*
 - *Express Employment Professionals Grand Opening and Ribbon Cutting*
 - *Finisar & SEDCO Press Event*
 - *Grayson County Commissioners Meeting*
 - *Hey Day Groundbreaking*
 - *IMT Program Tour*
 - *Planning and Zoning Meeting*
 - *Sherman Chamber Events Committee Meeting*
 - *Sherman Chamber of Commerce Annual Awards Luncheon*
 - *Sherman High School Career Expo*
 - *Sherman Rotary*
 - *SISD School Board Meeting*
 - *Tax Reinvestment Committee Meeting*
 - *Texas Workforce Commission Manufacturing Meeting*
 - *Trinity Realty Group Ribbon Cutting*
 - *Women Get Connected Texoma*



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.2.

Meeting Date: 04/02/2018

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive a Presentation from Former Mayor Cary Wacker regarding Proposed Boundary Changes for the A&C (Arts and Cultural Overlay) District and Related Grant Opportunities

Issue:

Proposed changes to the boundaries set forth in Section 6.10 of Exhibit "A" to the General Zoning Ordinance, for the A&C (Arts and Cultural Overlay) District as well as related grant opportunities for this district

Background:

The A&C (Arts and Cultural Overlay) District is codified at Section 6.10 of Exhibit "A" to the General Zoning Ordinance. The code provisions are set forth and the current boundaries are displayed in the attachments. The current boundaries of the A&C District are described as follows:

This district includes all lands as described herein: A point of beginning at the railroad right-of-way and Walnut Street, South on Walnut to Pecan Street, West on Pecan to Elm Street, South on Elm to Laurel, West on Laurel to Rusk Street, North on Rusk to Washington Street, West on Washington to Sam Rayburn Freeway, North on Sam Rayburn Freeway to the railroad right-of-way, and east along the railroad right-of-way to Walnut Street.

Origination:

Former Mayor Cary Wacker

Financial Consideration:

None to be considered

Attachments

A&C (Arts and Cultural Overlay) District

Aerial Location Map - Current District Boundaries

CHAPTER 14
ZONING ORDINANCE

EXHIBIT "A"
GENERAL ZONING ORDINANCE
ORDINANCE NO. 2280

Sec. 6.10. A&C (Arts and cultural overlay) district.

The A&C (Arts and cultural overlay) District is primarily to promote the arts and cultural uses in the city. This district includes all lands as described herein: A point of beginning at the railroad right-of-way and Walnut Street, South on Walnut to Pecan Street, West on Pecan to Elm Street, South on Elm to Laurel, West on Laurel to Rusk Street, North on Rusk to Washington Street, West on Washington to Sam Rayburn Freeway, North on Sam Rayburn Freeway to the railroad right-of-way, and east along the railroad right-of-way to Walnut Street.

(1) *Purpose.* The development of the Arts and Cultural Overlay District offers significant economic and recreational opportunities for the city and its citizens. Businesses of art and cultural significance and compatible uses may be consolidated in this district to enhance and compliment each other. The development standards will make the city a more desirable place to live and conduct business.

(2) *Permitted uses.* Permitted uses are limited to the following list, however any other use and/or sign may be permitted in the Arts and Cultural Overlay District if it is compatible with the district and is approved by exception by the planning and zoning board.

- Aesthetic garden
- Arts studio
- Accessory residential (One off-street parking space per unit required)
- Bank and lending institution
- Church
- Community center
- Dance studio
- Farmers market, indoor or outdoor
- Movie and cinema
- Museum
- Music shop
- Office
- Office, government
- Parking structure and lot
- Restaurants, indoor and outdoor seating
- Retail use, indoor
- Stage, outdoor
- Storage of goods or merchandise used in, produced by, or normally carried in stock in conjunction with any permitted use in the district
- Theater and playhouse
- Trolley and taxi stop
- Other uses approved by the planning and zoning board.

(3) *Parking regulations.* Parking is not required in the Arts and Cultural Overlay District except for residential uses.

(4) *Area regulations.* Lot size and coverage shall be in conformance with the primary designated zoning district.

(Ordinance 4890, sec. 1, adopted 10/2/00)





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.3.

Meeting Date: 04/02/2018

Prepared By: Nate Strauch, Community & Support Services Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Update from Community and Support Services Manager Nate Strauch regarding Ongoing Projects in the City

Issue:

Staff seeks to provide periodic aerial updates to keep the Council abreast of the newest developments in City projects.

Background:

Using Sherman I, the City of Sherman's drone, City staff has cataloged several projects underway around town, including:

- Water Treatment Plant
- Sherman Landing/Sherman Corners
- Sherman Crossroads/Legacy Village
- Fire Station 4/Northgate Drive
- FM 1417 widening
- Moore Solar Farm/Oncor Substation
- Housing Projects including Quail Run, Pebblebrook, Austin Landing and Magnolia Village

Origination:

City Manager Robby Hefton

Financial Consideration:

None

Staff Recommendation:

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

Alternatives:

None



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

E.4.

Meeting Date: 04/02/2018

Prepared By: Nate Strauch, Community & Support Services Manager

Approved By: Robby Hefton, City Manager

Caption:

*** OTHER BUSINESS**

Consider Request of the Sherman Main Street Advisory Committee to Temporarily Close Certain Streets for "Christmas in July" on Saturday, July 7, 2018

Issue:

The Sherman Main Street Advisory Committee is requesting to temporarily close Travis Street (between Lamar Street and Houston Street) and Crockett Street (between Lamar Street and Houston Street) on Saturday, July 7, 2018, from 7:00 a.m. to 2:00 p.m. for "Christmas in July".

This is the sixth year the event will be held in downtown Sherman, and the second year it will be organized and executed by the Sherman Main Street Advisory Committee.

The event includes businesses and non-profits providing activities for children. The children are allowed to visit each activity at their own pace.

Background:

This is one of the Sherman Main Street Advisory Committee's annual events held in downtown Sherman.

Origination:

Community & Support Services Manager Nate Strauch

Financial Consideration:

Barricades and cones would be provided by the City of Sherman Street Department. Solid waste receptacles would be provided by the City of Sherman Solid Waste Department. The Sherman Police Department will provide security officers for the event. The Sherman Main Street Advisory Committee understands that emergency vehicle accessibility must be maintained throughout the closed streets at all times.

Staff Recommendation:

It is recommended that the Council authorize the use of City resources to provide barricades, cones, solid waste receptacles, and security support as requested.

Alternatives:

As directed by the Council

Attachments

"Christmas in July" Memo

"Christmas in July" Map



memorandum

DATE: 27 March 2018

TO: Steve Ayers, Assistant City Manager

FROM: Sarah McRae, Tourism & Main Street Manager

SUBJECT: Christmas in July

The Sherman Main Street Advisory Board would like city approval to hold an event downtown, Christmas in July. This will be the second year for the Sherman Main Street to organize and execute this event.

Christmas in July is set to take place on Saturday, July 7, 2018 from 9:00am-1:00pm. Businesses and non-profits will offer free activities for children, such as, bean bag toss, hopscotch, face-painting, etc. on the courthouse lawn, surrounding the square. Some downtown shops will offer other activities for children at their businesses. We would request for the 100 blocks of South Travis and South Crockett streets to be closed from 7:00am to 2:00pm. We would also like to request the use 10 rolling trash cans & 30 orange traffic cones (delivered to the East side of the courthouse near the trash dumpsters).

If you have any questions, please do not hesitate to contact me.

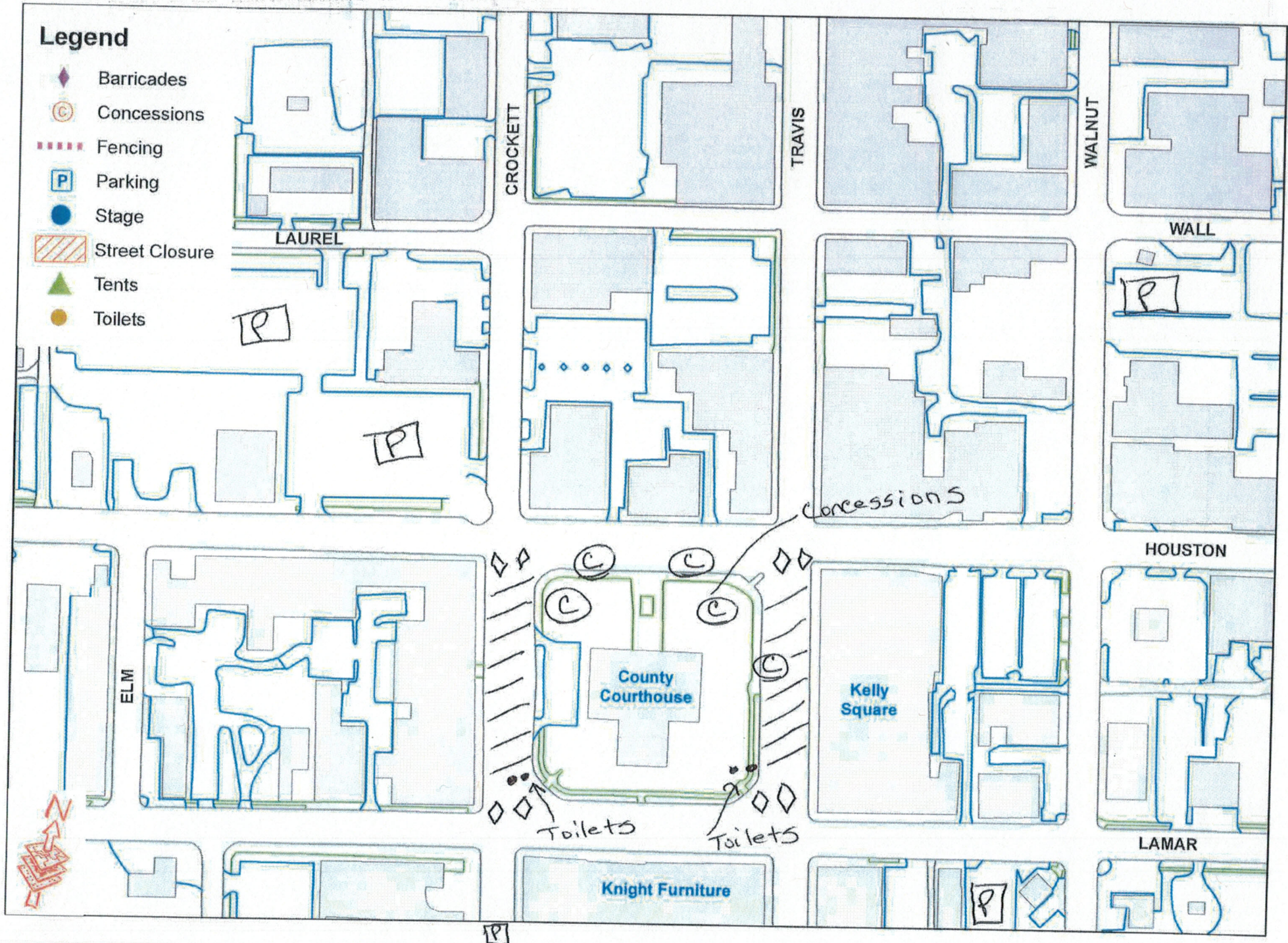
cc: Zachary Flores, Police Chief
Luigi Doronzo, Traffic Operations Supervisor

Event
Title

CHRISTMAS IN JULY

Legend

-  Barricades
-  Concessions
-  Fencing
-  Parking
-  Stage
-  Street Closure
-  Tents
-  Toilets





SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

H.1.

Meeting Date: 04/02/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

(a) Library Board (1)

Issue:

Randy Hudson's term on the Library Board expires on April 7, 2018. He is eligible and does wish to be reappointed. There are no other applications for service on the Library Board.

Background:

The Library Board serves in an advisory capacity to the City Librarian, the City Manager, and the City Council.

Origination:

The reappointment originated with the Public Library.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is the staff recommendation that Mr. Hudson be reappointed to the Library Board.

Alternatives:

The alternative is to delay an appointment to the Board.

Attachments

Roster

Fact Sheet

Applicant List

Reappointment Letter

MEMBERSHIP ROSTER

LIBRARY BOARD

LENGTH OF TERMS: THREE YEARS
Term Limit: Three Consecutive Terms

MEMBER	DISTRICT	TERM BEGINS	TERM EXPIRES	TERMS	MEMBERSHIP REQUIREMENTS
Lisa Hébert	4	A 3/20/2016	3/20/2019	1	Members are required to be residents of Sherman; have knowledge of Library Affairs and operations; and appreciate books.
Randy Hudson	4	A 4/7/2015	4/7/2018	1	
Laurie Mealy	1	A 1/19/2016	1/19/2019	1	
Nick Keating	4	A 1/8/2013 R 1/8/2016	1/8/2016 1/8/2019	1 2	
John West	1	A 1/8/2013 R 1/8/2016	1/8/2016 1/8/2019	1 2	
Ron Cassady	n/a	A 11/7/2017	11/7/2020	1	
Judith Sloan	4	A 1/8/2013 R 1/8/2016	1/8/2016 1/8/2019	1 2	

NOTE:

FACT SHEET

LIBRARY BOARD

Established by ORDINANCE 1736 – APRIL 14, 1948; REVISED ORDINANCE 4223 – OCTOBER 21, 1991; REVISED ORDINANCE 4367 – OCTOBER 3, 1994

1. Number of Members: SEVEN
2. Term of Appointment: THREE YEARS
3. Consecutive Term Rule: THREE TERMS – ORDINANCE 4223 (10/21/91)
4. Qualifications for Membership: RESIDENTS OF SHERMAN; KNOWLEDGE OF LIBRARY AFFAIRS AND OPERATION; APPRECIATION OF BOOKS
5. Appointed by: MAYOR AND CITY COUNCIL
6. Board Organization

CHAIRPERSON E VICE CHAIRPERSON SECRETARY E

ELECTED E APPOINTED

7. Departmental Responsibility: DIRECTOR OF LIBRARY SERVICES
8. Meeting Date: NO RULE – AS SET BY BOARD BY-LAWS
9. Attendance Requirements: NO RULE – AS SET BY BOARD BY-LAWS

=====

PURPOSE:

Shall serve in an advisory capacity with the City Librarian, the City Manager and the City Council.

RESPONSIBILITIES:

Said Board shall have no authority to bind the City of Sherman to any contract or interfere in any manner with City operations of Library Services.

APPLICANT LIST

Library Board

Positions Vacant 1

Applicant	Address	District	Qualifications
Randy Hudson	1601 Archer Circle	4	Current Member – Wishes to be Reappointed

COMMENTS:

PUBLIC RECORDS DEPARTMENT

Phone No. (903) 892-7204

Fax No. (903) 892-7394

March 5, 2018

Randy Hudson
1601 Archer Circle
Sherman, Texas 75092



RE: Library Board

Dear Mr. Hudson:

Your term on the Library Board expires on April 7, 2018. You are eligible for reappointment to the Board. Please let me know whether or not you are interested in reappointment to this board by checking the appropriate statement at the bottom of this letter and returning a copy to me at the address below. If you have any questions or need additional information, please don't hesitate to contact me.

Best regards,

Linda Ashby

Linda Ashby
City Clerk

cc: Melissa Eason, Library Services Manager

☒

I do wish to be considered for reappointment to this board

☐

I do not wish to be considered for reappointment to this board

Randy Hudson
Signature

3-7-18
Date

Please return to: City of Sherman
City Clerk's Office
P.O. Box 1106
Sherman, Texas 75091-1106



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Regular Meeting

Meeting Date: 04/02/2018

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2018 Council Calendar

2018

JANUARY						
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FEBRUARY						
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MARCH						
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JUNE						
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JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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23	24	25	26	27	28	29
30	31					

1/1/2018	New Year's Day/Regular City Council Meeting on 01/02/2018
2/28/2018	Called Council Meeting - Training Session for Council Members
4/27/2018	Called Budget Planning Mtg in Council Chambers
06/14-15/2018	Called Budget Workshop in Council Chambers
9/3/2018	Labor Day/Regular City Council Meeting on 09/04/2018
