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

A. 1. **CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**

A. 2. **PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER JASON SOFEY**

A. 3. **INVOCATION BY COUNCIL MEMBER JASON SOFEY**

A. 4. **APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 19, 2018**

Public Hearing

B. 1. **PUBLIC HEARING**
Proposed Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas

Close Public Hearing and Consider Resolutions

Resolutions

C. 1. **RESOLUTION NO. 6346**
Authorizing Execution of an Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas

C. 2. **RESOLUTION NO. 6347**
Authorizing Execution of an Economic Development Program Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code

C. 3. **RESOLUTION NO. 6348**
Authorizing Submission of an Application for a Grant Awarded under the Office of the Governor - Criminal Justice Division to Fund the Purchase of a Cyanoacrylate Fuming Chamber for Law Enforcement Use within the Sherman Police Department; Designating the City Manager as the Authorized Official to Accept, Reject, Alter or Terminate the Grant on Behalf of the City

C. 4. **RESOLUTION NO. 6349**
Authorizing Submission of an Application for a Grant Awarded under the Office of the Governor - Criminal Justice Division to Fund the Purchase of Twenty-Five Body-Worn Cameras for Law Enforcement Use within the Sherman Police Department; Designating the City Manager as the Authorized Official to Accept, Reject, Alter or Terminate the Grant on Behalf of the City

Change Orders

D. 1. **CHANGE ORDER NO. 1**
Northgate Drive Extension Project; Vessels Construction A Division of Vescor, Inc.; $141,283.22 decrease

Other Business

E. 1. **OTHER BUSINESS**
Setting the Public Hearing on a Proposed Amendment to an 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

E. 2. **OTHER BUSINESS**
Receive Presentation from City Manager Robby Hefton on the City of Sherman's Employee Health Insurance Program

F. **CITIZEN REQUESTS**

G. **MEDIA QUESTIONS**

H. **COUNCIL COMMENTS**

Executive Session

I. 1. **EXECUTIVE SESSION**
In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections:

Section 551.071 — Consultation with City Attorney concerning Pending or Contemplated Litigation

Section 551.071 — 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:

(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

J. 1. **OPEN MEETING**
Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

K. 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 2, 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 2nd 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	Deputy Mayor	Council Members	
David Plyler	Pamela L. Howeth	Willie Steele, Council-At-Large, PL #1	Josh Stevenson, Council – District #2
		Jason Sofey, Council-At-Large, PL #2	Pamela L. Howeth, Council – District #3
		Shawn C. Teamann, Council – District #1	Daron Holland, Council – District #4

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **A.4.**

Meeting Date: 03/05/2018

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

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

Attachments

February 19, 2018

STATE OF TEXAS §

February 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 February 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 Council Member Willie Steele.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 5, 2018. Council Member Sofey moved to approve the Minutes as presented; Second by Council Member Holland. All present voted AYE.
MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 6099 INDUSTRIAL REINVESTMENT ZONE

Mayor Plyler introduced Ordinance No. 6099 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 022018-01, 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.

Robby Hefton, City Manager, said this is the first action for the establishment of the Reinvestment Zone for Finisar. The final action will be held at the next Council Meeting on March 5, 2018, and will include a public hearing and adoption of the resolution for the tax abatement. The Council will also consider a Chapter 380 Agreement at the same meeting.

No citizens appeared before the City Council to discuss Ordinance No. 6099.

ORD 6100 ATMOS RATE REVIEW

Mayor Plyler introduced Ordinance No. 6100 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM ("RRM") AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF

THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX" OR "COMPANY") AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY.

Brandon Shelby, City Attorney, said this is the annual review of ATMOS' rates. This ordinance represents a negotiated tariff and a rate review mechanism that was negotiated between their Council and the City Council, through the ATMOS Steering Committee, of which Sherman is a member.

This will allow ATMOS to move forward with the rate review. Additional information on the proposed rate will be presented to the Council at a later date.

No citizens appeared before the City Council to discuss Ordinance No. 6100.

The Public Hearing was closed.

<u>ADOPTION OF ORDINANCES</u>

<u>Ordinance 6099</u>

ORD 6099 INDUSTRIAL REINVESTMENT ZONE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01, 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.

<u>Ordinance 6100</u>

ORD 6100 ATMOS RATE REVIEW

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM ("RRM") AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX" OR "COMPANY") AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE; PROVIDING A REPEALER CLAUSE; PROVIDING FOR SEVERABILITY.

ACTION TAKEN.

Motion by Council Member Steele to adopt Ordinance Nos. 6099 and 6100, as presented. Second by Deputy Mayor Howeth.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED

CONSENT AGENDA

CONSENT AGENDA

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

RESOLUTIONS

RES 6341 FIRE STATION NO. 4 (TABLED)

RESOLUTION NO. 6341 – AUTHORIZING EXECUTION OF AN EARLY COMPLETION BONUS ADDENDUM TO THE AWARDED CONTRACTOR CONSTRUCTION MANAGER-AT-RISK (CMAR) FOR THE CONSTRUCTION OF FIRE STATION NO. 4

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN EARLY COMPLETION BONUS ADDENDUM TO THE AWARDED CONTRACTOR CONSTRUCTION MANAGER-AT-RISK (CMAR) FOR THE CONSTRUCTION OF FIRE STATION NO. 4.

Steve Ayers, Assistant City Manager, said the addendum is for the contract with Crossland for the construction of Fire Station No. 4. The City currently has a contract for a 10 month completion of the project. The staff is asking for authorization to execute an early completion bonus addendum.

The bonus would be a 30 day incentive of $30,000 for early completion. This early completion would assist with logistics on the Schulman project, by removing Fire Station No. 4.

Currently the 10 month contract with Crossland would put completion of the project in mid-to-late November 2018. With the incentive, it could push completion to early October 2018.

The addendum would also include a $1,000 daily incentive for every day between 30 days and 45 days that the project is completed earlier. The staff did not feel that completion earlier than 45 days from the contracted date would be possible.

Mr. Ayers said that with Crossland's resources and their ability, the staff felt there was a good possibility that the earlier completion could be met. So far, they have moved quickly on the project.

Council Member Teamann asked if there was a "cap" on the incentive. The cap is at 45 days and Mr. Ayers said that would "be really pushing it" for them to complete the project any earlier than that. He said earlier would be good because it would facilitate the Schulman project.

Council Member Teamann asked if there was a clause in the contract that if they were over the construction deadline, that they would lose $1,000 per day. Mr. Ayers said there are things in the contract that would be effected, but a delay is not monetary.

Mr. Hefton said those are liquidated damages. He said if the Council wants to add a cap to the addendum, they could approve the resolution, subject to the cap. He added that, from a practical standpoint, he did not feel it was needed.

Council Member Sofey asked what the primary reason was for the incentive. Mr. Hefton said the location of the current Fire Station is detrimental to development of the Schulman project. The sooner the Fire Station can be relocated the better, but it must be relocated without problems to the services provided by the Department.

Council Member Sofey asked if the City has closed on the sale of the property to Schulman. Mr. Hefton said closing on sale of the land should be no later than April 5, 2018. Council Member Sofey said he had a problem with incentivizing the construction company for $30,000 before closing on the property. Mr. Hefton said the staff could bring the item back for consideration after the closing.

Council Member Sofey said he wanted to be developer friendly, but would feel more comfortable if the City had "money in the bank" from Schulman when the incentive is paid. Mr. Hefton said if the deal went away, the City would still market the property.

Mr. Hefton said consideration of the incentive can be brought back to the City Council after closing on the property.

Council Member Teamann asked if the same thing can be done on the negative side too. Would they owe the City money if they are late? Council Member Sofey said the contract has already been signed and there are some things, like weather, that are out of the contractor's control.

Council Member Stevenson said since it is a 10 month contract, does the incentive need to be considered now. Mr. Hefton said "in theory" no, but to complete the project early they would probably need to move forward from the beginning in order to manage the timeline of the project.

Council Member Stevenson confirmed that closing on the property would be held April 5, 2018.

ACTION TAKEN.

> **Motion by Council Member Sofey to table Resolution No. 6341 until after closing on the property, as presented. Second by Council Member Stevenson.**

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED TO TABLE.

RES 6342
LAMBERTH RD
STREAM CROSSINGS

RESOLUTION NO. 6342 – AUTHORIZING EXECUTION OF A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES WITH HALFF ASSOCIATES, INC. TO DESIGN IMPROVEMENTS TO THE LAMBERTH ROAD STREAM CROSSINGS ALONG THE EAST FORK OF POST OAK CREEK AND EAST LAMBERTH BRANCH
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES WITH HALFF ASSOCIATES, INC. TO DESIGN IMPROVEMENTS TO THE LAMBERTH ROAD STREAM CROSSINGS ALONG THE EAST FORK OF POST OAK CREEK AND EAST LAMBERTH BRANCH.

Clint Philpott, Director of Engineering, said this contract was for the design of two crossings on Lamberth Road, between U.S. Hwy 75 and Travis Street. By spending a little money, these improvements should allow the crossings to handle a 100-year flood event.

This is part of the Stormwater Program and should ensure that emergency vehicles will be able to cross the bridges. Design should take about six months, with construction starting in the early Fall 2018.

Deputy Mayor Howeth asked if the project would have any impact on the citizens and business that are located downstream. Mr. Philpott said it should not have an impact other than during construction.

Council Member Stevenson confirmed that construction should take at least six months.

ACTION TAKEN.
Motion by Council Member Stevenson to adopt Resolution No. 6342, as presented. Second by Deputy Mayor Howeth.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6343
DEVELOPMENT AGREEMENT (SWEETWATER SPRINGS SUBDIVISION)

RESOLUTION NO. 6343 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SWEETWATER SPRINGS SUBDIVISION, A 17.112-ACRE DEVELOPMENT OFF OF MARSHALL STREET AND HILLTOP DRIVE, ALONG DRIPPINGS SPRINGS ROAD IN THE CITY OF SHERMAN
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BARTON CAPITAL, LTD.

FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SWEETWATER SPRINGS SUBDIVISION, A 17.112-ACRE DEVELOPMENT OFF OF MARSHALL STREET AND HILLTOP DRIVE, ALONG DRIPPING SPRINGS ROAD IN THE CITY OF SHERMAN.

Mr. Philpott said this was a Development Agreement for a residential subdivision off of Dripping Springs Road, near Marshall Street. It includes about 51 lots. The development fee will cover the cost of inspections for the subdivision.

ACTION TAKEN.
Motion by Deputy Mayor Howeth to adopt Resolution No. 6343, as presented. Second by Council Member Holland.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6344 DEVELOPMENT AGREEMENT (BROOKSTONE GARDEN HOMES ADDITION)

RESOLUTION NO. 6344 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BROOKHAVEN DEVELOPMENT JOINT VENTURE FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN BROOKSTONE GARDEN HOMES ADDITION, A 4.085-ACRE DEVELOPMENT OFF OF F.M. 1417 (HERITAGE PARKWAY), SOUTHEAST OF QUAIL RUN ROAD IN THE CITY OF SHERMAN
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BROOKHAVEN DEVELOPMENT JOINT VENTURE FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN BROOKSTONE GARDEN HOMES ADDITION, A 4.085-ACRE DEVELOPMENT OFF OF F.M. 1417 (HERITAGE PARKWAY), SOUTHEAST OF QUAIL RUN ROAD IN THE CITY OF SHERMAN.

Mr. Philpott said this is also a Development Agreement for a residential subdivision, consisting of about 24 lots. It is located north of Pebblebrook, off of F.M. 1417.

ACTION TAKEN.
Motion by Council Member Sofey to adopt Resolution No. 6344, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6345 ANNUAL R-O-W MOWING

RESOLUTION NO. 6345 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH SF LANDSCAPING FOR ANNUAL RIGHT-OF-WAY FINISH MOWING SERVICES
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING

EXECUTION OF A CONTRACT WITH SF LANDSCAPING FOR ANNUAL RIGHT-OF-WAY FINISH MOWING SERVICES. CONSENT AGENDA.

CHANGE ORDER SHERMAN INDUSTRIAL PARK REPLACEMENT SEWER

CHANGE ORDER NO. 2
APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENT TO EXECUTE CHANGE ORDER NO. 2; SHERMAN INDUSTRIAL PARK REPLACEMENT SEWER; LYNN VESSELS, LLC; $21,199.10 INCREASE

Mark Gibson, Director of Utilities, said this was the second change order for the Industrial Sewer Project on the south side of town. The primary scope of the change order is to accommodate the increase in pipe prices caused by Hurricane Harvey. Originally, the City also switched to a different size of pipe to move the project along quicker. The vendors are claiming "Force Majeure" because of the Hurricane

Mr. Gibson said another part of the change order is to lower one of the railroad bores about a foot under the railroad tracks to assure there is no problem with an existing sewer.

The total cost of the three change order items is $21,199.10, yielding a revised contract price of $1,562,342.25.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve the Greater Texoma Utility Authority's intent to execute Change Order No. 2 to Lynn Vessels, LLC, in the amount of a $21,199.10 increase for the Sherman Industrial Park Replacement Sewer, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

SET PUBLIC HEARING FOR FINISAR TAX ABATEMENT

OTHER BUSINESS
SETTING THE PUBLIC HEARING ON THE PROPOSED AGREEMENT WITH FINISAR SHERMAN RE HOLDCO, LLC, A TEXAS LIMITED LIABILITY COMPANY, FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 022028-01, CITY OF SHERMAN, TEXAS

Mr. Hefton said this is a companion item to Ordinance No. 6099, which designated the Industrial Reinvestment Zone. This item is to set the public hearing for the actual Tax Abatement, which will also be held at the March 5, 2018 City Council Meeting.

ACTION TAKEN.

Motion by Council Member Teamann to set a Public Hearing at the Regular Council Meeting of March 5, 2018, to consider the Proposed Agreement with Finisar Sherman RE HOLDCO, LLC, for the abatement of Ad Valorem

Property Taxes for improvements within Industrial Reinvestment Zone, Number 022028-01, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

CALL SPECIAL MTG FOR COUNCIL TRAINING WORKSHOP

<u>CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR A TRAINING WORKSHOP TO BE CONDUCTED BY E. ALLEN TAYLOR, JR., FOUNDING PARTNER OF TAYLOR, OLSON, ADKINS, SRALLA AND ELAM, LLP ON WEDNESDAY, MARCH 28, 2018</u>

Mr. Hefton said this is the second annual training for the City Council from Allen Taylor, Jr., Founding Partner of Taylor, Olson, Adkins, Sralla and Elam, LLP. The training will include a legal update regarding various City-related topics. He provides a similar training for the Planning and Zoning Commission Members too.

The proposed date for training was March 28, 2018, however some Council Members had a conflict with the date. Other dates were discussed and Mr. Hefton suggested that the March 28 date be switched with the February 28 date that was being proposed for the Planning and Zoning Members.

Most Council Members felt that they would be able to attend the Training if it was held on February 28, 2018.

ACTION TAKEN.

Motion by Council Member Holland to set a Special Called City Council Meeting for February 28, 2018, at 11:00 a.m., to hold a Training Workshop, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

BUDGET CALENDAR

<u>DISCUSS AND CONSIDER APPROVAL OF THE BUDGET CALENDAR FOR FISCAL YEAR (FY) 2018-2019</u>

Mary Lawrence, Director of Finance, said the proposed budget calendar is similar to last year's calendar. The Budget Planning Meeting was proposed for April 20, 2018 and the Budget Workshop was proposed for June 14-15, 2018. It is expected that only one day will be needed for the Budget Workshop.

Two Council Members said they would not be available for the April 20 Meeting. Other dates were discussed and Mr. Hefton proposed that the Budget Planning Meeting be moved to April 27, 2018.

ACTION TAKEN.

Motion by Council Member Sofey to adopt the Budget Calendar for FY 2018-2019, changing the date for the

Budget Planning Meeting to April 27, 2018. Second by Council Member Steele.
VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

<u>APPROVE THE QUARTERLY INVESTMENT REPORTS FOR QUARTER ENDED DECEMBER 31, 2017</u>

QUARTERLY INVESTMENT REPORT

The City Council approved the Quarterly Investment Reports for the quarter ended December 31, 2017. As of December 31, 2017, the portfolios were in compliance with applicable State laws and with the City's internal Investment Policy.

The Operating Investment Portfolio had a book value of about $12.9 million, a decrease of about $1.1 million from the prior quarter of $14 million, due to the maturity of a Certificate of Deposit, a U.S. Agency Security, and withdrawals from a Local Government Investment Pool (LGIP). Funds were also deposited into the LGIP.

The underlying investments were adequately diversified among four different types of securities. This portfolio is appropriately liquid and it's weighted-average maturity was about 482 days, a decrease of 28 days from last quarter.

The portfolio yield of 1.355% for the quarter is 40 basis points below the benchmark yield of 1.76%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The Debt Proceeds Portfolio balance of $21.8 million was invested in a Local Government Investment Pool, an FDIC Insured Investment Account, and a U.S. Agency security.

Current period transactions included the addition of interest income and the receipt of $4 million of debt proceeds to fund stormwater projects. Approximately $3.7 million was disbursed for project payments.

The yield of 1.13% was fifteen basis points below the benchmark yield of 1.28% for this portfolio. Book value and market value were about the same.
CONSENT AGENDA.

<u>CITIZENS REQUESTS</u>
<u>FIRE STATION NO. 4 RELOCATION</u>

FIRE STATION NO. 4 RELOCATION

Peter Tracy, 705 S. Valentine, expressed concern about the relocation of Fire Station No. 4 to the west side of U.S. Hwy 75 instead of the east side of the highway. He asked if there would be a light placed at the intersection to allow the emergency vehicles to cross over U.S. Hwy 75 quickly.

Currently there are two housing developments within two miles of the fire station, but when relocated, the fire station will be four miles away. He was concerned about the response

time since the emergency vehicles will have to cross F.M. 1417 and U.S. Hwy 75.

He asked if there would be controls on the light system to give the emergency vehicles automatic right-of-way and would there be a light when they cross over F.M. 1417.

Mr. Hefton said that would be determined by the Texas Department of Transportation and if warranted, it would be installed.

Mr. Tracy said most of the industrial facilities in that area have sprinkler systems, so their needs are not as rapid as a trailer park.

Mr. Hefton said the relocation of the fire station would not alter the coverage that the City currently has. Mr. Tracy said his concern is crossing the intersection.

Mr. Hefton said emergency vehicles are able to cross intersections whether or not they are regulated. They have the right-of-way and routinely cross intersections. He said the staff will review the situation and make sure the vehicles can safely cross the intersections. Especially as that area develops, he said, if it's warranted, the City will make sure there is a light at that intersection.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

POSITIVE GROWTH IN SHERMAN

POSITIVE GROWTH IN SHERMAN

Council Member Sofey recognized the positive growth in Sherman adding that over 80 new residential lots were platted and Finisar is locating in Sherman. He said these were two good indicators of the growth.

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Plyler announced the following:

- **Coffee with the Mayor will be held March 2, 2018, at Austin College.**

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 551.074 --	**PERSONNEL MATTERS: CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS PLANNING AND ZONING COMMISSION (1)**
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**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:40 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:13 p.m. and reconvened in Open Meeting.

OPEN MEETING

<u>OPEN MEETING</u>
Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

PLANNING & ZONING COMMISSION

<u>PLANNING AND ZONING COMMISSION (1)</u>
ACTION TAKEN.

> **Motion by Deputy Mayor Howeth to appoint Leigh Ann Sims to the Planning and Zoning Commission, for a term from February 21, 2018 to February 21, 2021. Second by Council Member Stevenson.**

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:15 p.m.

ADJOURNMENT

____
MAYOR

____
CITY CLERK

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **B.1.**

Meeting Date: 03/05/2018

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

PUBLIC HEARING

Proposed Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas

Issue:

Holding a public hearing on a proposed tax abatement agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for improvements within Industrial Reinvestment Zone, Number 022018-01 (IRZ #022018-01), City of Sherman, Texas

Background:

The Tax Reinvestment Committee met on January 17, 2018, to discuss a tax abatement request from Finisar Sherman RE HOLDCO, LLC ("Finisar") for a project to invest $20 million to $30 million in facility and land and an additional $120 million in manufacturing equipment at its facility located at 6800 South U.S. Highway 75 in Sherman, situated within Industrial Reinvestment Zone No. 022018-01. The taxable value of Finisar's current property is $12 million. The project began at the end of 2017 and is expected to be fully operational by the Fall of 2018 with approximately 600 highly paid employees, including management, engineering and executive level jobs, and highly-skilled and semi-skilled line and technical jobs. Finisar will be the the second largest taxpayer within the city limits by a large margin.

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. 6099 creating Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas, was approved by the City Council at the February 19, 2018 meeting.

The Committee agreed to propose a ten (10) year tax abatement of 60%, 60%, 60%, 55%, 55%, 55%, 50%, 50%, 50% and 50%, in accordance with the City's current tax abatement matrix. .

Origination:

Finisar Sherman RE HOLDCO, LLC, Applicant
Tax Reinvestment Committee

Financial Consideration:
There is no direct cost associated with holding the public hearing.

Staff Recommendation:
The staff recommends that the City Council hold a public hearing on the proposed tax abatement agreement with Finisar.

Alternatives:
No alternatives are recommended.

Attachments

Proposed Tax Abatement Agreement w/Exhibits A and B

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 March, 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, acting by and through its authorized officers ("Finisar"), for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 19th day of February, 2018 the City Council of the City ("City Council") passed Ordinance No. 6099 ("Ordinance") establishing Industrial Reinvestment Zone, Number 022018-01, 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, Finisar currently owns the Premises, as hereinafter defined, and Finisar expects to invest $20 million to $30 million in facility and land with an additional $120 million investment in manufacturing equipment (collectively, "The Improvements") on the Premises. The Improvements and use of the Premises is expected to significantly enhance the economic base of the City; and

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

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

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

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

Finisar, 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. "FINISAR AFFILIATE" shall mean any Person, directly or indirectly controlling, controlled by, or under common control with Finisar. 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 Finisar (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 Finisar 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 Finisar’s corporate, public, employee, and business relations requirements.

B. The Premises will be owned by Finisar or a Finisar 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, Finisar 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, Finisar or a Finisar Affiliate must substantially locate all Improvements to the Premises by January 1, 2019.

IV.
TERM AND ABATEMENT PERIOD

A ten (10) 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 $140 million.

B. During the period of tax abatement herein authorized, Finisar 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:

Year	*Percentage of Property Taxes Abated*
1	60%
2	60%
3	60%
4	55%
5	55%
6	55%
7	50%
8	50%
9	50%
10	50%

B. Construction Condition. Notwithstanding Section VI.A. above, if the Construction Condition is not met on or before January 1, 2019 (plus any extensions due to Force Majeure), then no tax abatements under this Agreement shall be provided.

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

D. Property Tax Covenant. Throughout the term of this Agreement, Finisar 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.

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

VII.
REPORTING AND MONITORING

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

B. Finisar 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. Finisar, 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. Finisar 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 Finisar, and in accordance with Finisar'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 Finisar from any damages or liability to persons or property arising from City, its agents and employees, entry upon Finisar's Property, unless such injury is caused by the sole negligence of Finisar, 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 Finisar breaches any of the terms or conditions of this Agreement, then Finisar shall be in default of this Agreement. In the event Finisar defaults in its performance, the City shall give Finisar written notice of such default/failure of condition and, if Finisar 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 Finisar has commenced and is pursuing the cure of same, then, after first advising the City Council of Finisar's efforts to cure same, Finisar 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 Finisar 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 Finisar, 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 Finisar 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 Finisar 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 Finisar or any Finisar 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:

Finisar:	**City:**
Dr. Jeffrey Brown	City Manager
VP & General Manager - Sherman	City of Sherman
Finisar Sherman RE HOLDCO, LLC	220 West Mulberry Street
6800 South U.S. Highway 75	P. O. Box 1106
Sherman, Texas 75090	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 5th day of March, 2018, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.
FINISAR AUTHORIZATION

An authorized representative of Finisar 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 Finisar, 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, FINISAR 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) FINISAR'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

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

FINISAR SHERMAN RE HOLDCO, LLC,
a Texas Limited Liability Company

By: ______________________________

Name:	**Jeffrey Brown**
Title:	**VP & General Manager - Sherman**
Address:	**6800 South U.S. Highway 75** **Sherman, Texas 75090**

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 Plyer, 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 March, A.D., 2018.

____
Notary Public in and for the State of Texas

____
(Typed/Printed Name of Notary)

My Commission Expires:

____

FINISAR 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 Dr. Jeffrey Brown, VP & General Manager – Sherman for Finisar Sherman RE HOLDCO LLC, a Texas Limited Liability Company, 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

<u>Comprehensive Guidelines</u>

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:

<u>SECTION 1.</u> 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

<u>The Premises</u>

American National

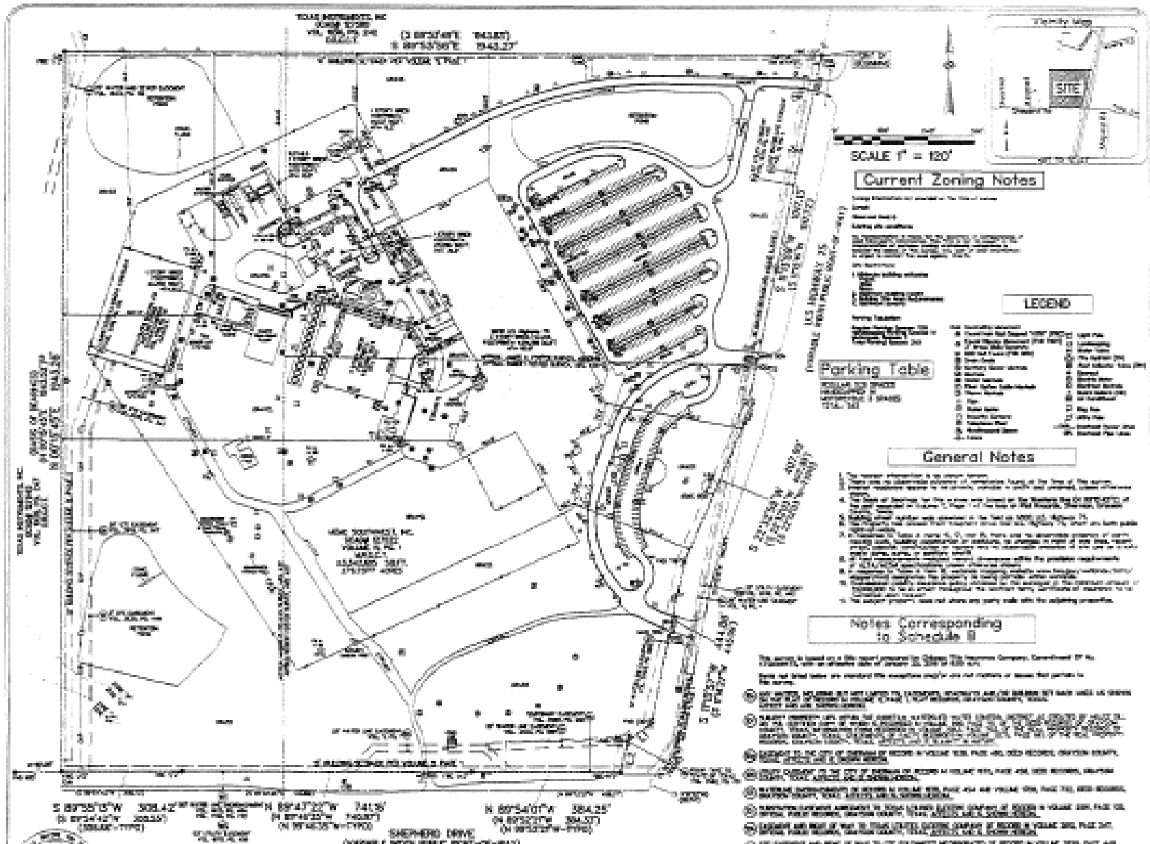
ALTA/ACSM Land Title Survey

The field work was completed on February 15, 2016.

PRELIMINARY

Recorded Legal Description

Encroachment Statement



Current Zoning Notes

LEGEND

Parking Table

General Notes

Notes Corresponding to Schedule B

Utility Notes

Sheet 1 of 2

Field Notes

As–Surveyed Legal Description

Being the Lot created by the final plat of MEMC southwest addition, an addition to the City of Sherman, Grayson County, Texas, according to the plat of record in Volume 11, Page 1, plat records, Grayson County, Texas, and being more fully described in exhibit "A" attached.

BEING a 76.763 acre tract of land situated in the City of Sherman, in the James A. Foster Survey, Abstract No. 418, the Robert Foster Survey, Abstract No. 420 and the Marton G. Fellers Survey, Abstract No. 427 of Grayson County, Texas and being part of the MEMC SOUTHWEST ADDITION, an addition to the City of Sherman, according to the plat thereof, recorded in Volumes 11, page 1 of the Map & Plat Records of Grayson County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at 1/2 inch iron rod topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found for the Northeast corner of and MEMC Southwest Addition, on the West right–of–way line of U.S. Highway 75 (variable width right–of–way at this point) and said point also being on the East line of that original called 470.340 acre tract of land described in a deed to Texas Instruments Incorporated; recorded in Volume 1036, Page 247 of the Deed Records of Grayson County, Texas (DRGCT);

THENCE: South 11 deg. 13 min. 59 sec. West, along the common line of said addition and highway, a distance of 1,017.15 feet Texas Department of Transportation (TXDOT) brass monument in concrete, found for the North corner of that certain called 1,506 acre tract of land described in a deed from MEMC Southwest, Inc. to the State of Texas, dated December 15, 2003 and recorded in Volume 3562, Page 651, DRGCT;

THENCE: Departing from the original East line of said MEMC Southwest Additional and along the West line of said 1,506 acre tract as follows:

South 22 deg. 32 min. 59 sec. West – 407.99 feet to a TXDOT monument found for corner;
South 11 deg. 13 min. 57 sec. West – 444.88 feet to a TXDOT monument found for corner;
South 50 deg. 56 min. 32 sec. West – 78.08 feet to a TXDOT monument found for corner;
South 11 deg. 15 min. 08 sec. West – 84.36 feet to a 1/2 inch iron rod, with cap, set for the Southwest corner of said 1.506 acre tract, on the South line of said MEMC Southwest Addition and same being the North right–of–way line of Shepherd Road as described to the City of Sherman by the above described plat recorded in Volume 11, page 1 of the Map & Plat Records of Grayson County, Texas;

THENCE: Along the common line of said MEMC Southwest Addition and said Shepherd Road as follows:

North 89 deg. 54 min. 01 sec. West – 384.25 feet to a 1/2 inch iron rod, with cap found for corner;
North 89 deg. 47 min. 22 sec. West – 741.16 feet to a 1/2 inch iron rod, with cap found for corner;
South 89 deg. 55 min. 13 sec. West – 308.42 feet to a 1/2 inch iron rod, with cap, found for the Southwest corner of said MEMC Southwest Addition and same being the East line of the above described Texas Instruments Incorporated original 470.340 acre tract;

THENCE: North 00 deg. 15 min. 45 sec. East, along the common line of said MEMC Southwest Addition and said Texas Instruments tract, a distance of 1,943.26 feet to a 1/2 inch iron rod, with cap, found for the Northwest corner of said MEMC Southwest Addition;

THENCE: South 89 deg. 53 min. 56 sec. East, continuing along the common line of said addition and said Texas Instrument tract, a distance of 1,943.27 feet to the POINT OF BEGINNING and containing 3,343,764 square feet 76.763 acres of land, more or less.

The above description describes the same property described in Title Commitment GF No. 4712009475, issued by Chicago Title Insurance Company with and effective date of January 25, 2016 at 8:00 a.m.

INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01,
CITY OF SHERMAN, TEXAS
<u>VICINITY MAP</u>

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C.1.**

Meeting Date: 03/05/2018
Prepared By: Mary Lawrence, Director of Finance
Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6346

Authorizing Execution of an Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Abatement of Ad Valorem Property Taxes for Improvements within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas

Issue:

Approval of a proposed property tax abatement agreement between the City of Sherman and Finisar Sherman RE HOLDCO, LLC (Finisar)

Background:

On Wednesday, January 17, 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for a tax abatement involving a project to invest $20 million to $30 million in facility and land and an additional $120 million in manufacturing equipment at its facility located at 6800 South U.S. Highway 75 in Sherman, situated within Industrial Reinvestment Zone No. 022018-01. The taxable value of Finisar's current property before improvements is about $12 million. The project began at the end of 2017 and is expected to be fully operational by the Fall of 2018 with approximately 600 highly paid employees, including management, engineering and executive level jobs, and highly-skilled and semi-skilled line and technical jobs.

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. 6099, the first step in accomplishing the creation of a new commercial/industrial reinvestment zone, which would cover only Finisar's property, was adopted following public hearing at the February 19, 2018 regular meeting.

The proposed agreement calls for a ten (10) year abatement of 60%, 60%, 60%, 55%, 55%, 55%, 50%, 50%, 50%, 50% in accordance with the City's current tax abatement matrix. As is the case with all tax abatements, none of the proposed property considered under this abatement agreement is currently on the tax rolls, so the benefit from this abatement is that the City will see a net increase in property tax revenues.

Origination:

Finisar Sherman RE HOLDCO, LLC, Applicant
Tax Reinvestment Committee

Financial Consideration:

At a minimum taxable value of $140 million each year, this project would generate about $6.0 million in property tax revenues for the City over the first ten (10) years at the current tax rate before any abatement is applied; and the abatement will provide an estimated benefit to the taxpayer of $3.3 million 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. 6346

Tax Abatement Agreement w/Exhibits A and B

RESOLUTION NO. 6346

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH FINISAR SHERMAN RE HOLDCO, LLC, A TEXAS LIMITED LIABILITY COMPANY, FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01, 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, 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 Finisar Sherman RE HOLDCO, LLC for the abatement of ad valorem property taxes for a period of ten (10) years, for improvements within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas, consisting of $20 to $30 million in building improvements and the installation of $120 million in manufacturing equipment.

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: ______________________________ **BY:** ______________________________

LINDA ASHBY, CITY CLERK **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 March, 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, acting by and through its authorized officers ("Finisar"), for the purposes and considerations stated below:

W I T N E S S E T H:

WHEREAS, on the 19th day of February, 2018 the City Council of the City ("City Council") passed Ordinance No. 6099 ("Ordinance") establishing Industrial Reinvestment Zone, Number 022018-01, 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, Finisar currently owns the Premises, as hereinafter defined, and Finisar expects to invest $20 million to $30 million in facility and land with an additional $120 million investment in manufacturing equipment (collectively, "The Improvements") on the Premises. The Improvements and use of the Premises is expected to significantly enhance the economic base of the City; and

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

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

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

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

Finisar, 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. "FINISAR AFFILIATE" shall mean any Person, directly or indirectly controlling, controlled by, or under common control with Finisar. 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 Finisar (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 Finisar 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 Finisar's corporate, public, employee, and business relations requirements.

B. The Premises will be owned by Finisar or a Finisar 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, Finisar 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, Finisar or a Finisar Affiliate must substantially locate all Improvements to the Premises by January 1, 2019.

IV.
TERM AND ABATEMENT PERIOD

A ten (10) 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 $140 million.

B. During the period of tax abatement herein authorized, Finisar 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. <u>Annual Rates of Abatement</u> – 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:

Year	*Percentage of Property Taxes Abated*
1	60%
2	60%
3	60%
4	55%
5	55%
6	55%
7	50%
8	50%
9	50%
10	50%

B. Construction Condition. Notwithstanding Section VI.A. above, if the Construction Condition is not met on or before January 1, 2019 (plus any extensions due to Force Majeure), then no tax abatements under this Agreement shall be provided.

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

D. Property Tax Covenant. Throughout the term of this Agreement, Finisar 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.

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

VII.
REPORTING AND MONITORING

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

B. Finisar 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. Finisar, 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. Finisar 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 Finisar, and in accordance with Finisar’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 Finisar from any damages or liability to persons or property arising from City, its agents and employees, entry upon Finisar’s Property, unless such injury is caused by the sole negligence of Finisar, 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 Finisar breaches any of the terms or conditions of this Agreement, then Finisar shall be in default of this Agreement. In the event Finisar defaults in its performance, the City shall give Finisar written notice of such default/failure of condition and, if Finisar 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 Finisar has commenced and is pursuing the cure of same, then, after first advising the City Council of Finisar's efforts to cure same, Finisar 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 Finisar 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 Finisar, 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 Finisar 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 Finisar 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 Finisar or any Finisar 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:

Finisar:	**City:**
Dr. Jeffrey Brown	City Manager
VP & General Manager - Sherman	City of Sherman
Finisar Sherman RE HOLDCO, LLC	220 West Mulberry Street
6800 South U.S. Highway 75	P. O. Box 1106
Sherman, Texas 75090	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 5th day of March, 2018, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.
FINISAR AUTHORIZATION

An authorized representative of Finisar 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 Finisar, 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, FINISAR 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) FINISAR'S PERFORMANCE OF ITS OBLIGATIONS PURSUANT TO THIS AGREEMENT.

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

FINISAR SHERMAN RE HOLDCO, LLC,
a Texas Limited Liability Company

By: ______________________________
Name: Jeffrey Brown
Title: VP & General Manager - Sherman
Address: 6800 South U.S. Highway 75
Sherman, Texas 75090

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 Plyer, 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 March, A.D., 2018.

____
Notary Public in and for the State of Texas

____
(Typed/Printed Name of Notary)

My Commission Expires:

____

FINISAR 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 Dr. Jeffrey Brown, VP & General Manager – Sherman for Finisar Sherman RE HOLDCO LLC, a Texas Limited Liability Company, 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

<u>Comprehensive Guidelines</u>

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:

<u>SECTION 1.</u> 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
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ______________________
BRANDON S. SHELBY
CITY ATTORNEY

EXHIBIT B
TO TAX ABATEMENT AGREEMENT

<u>The Premises</u>

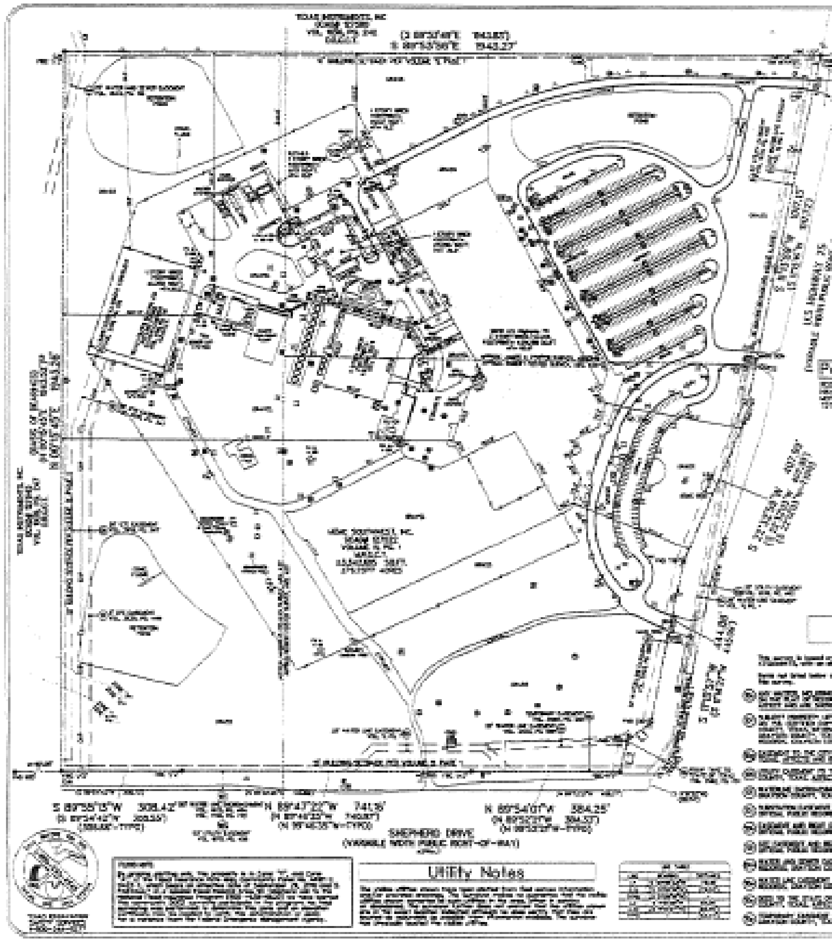
American National

ALTA/ACSM Land Title Survey

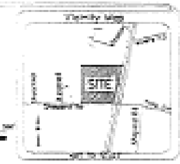
PRELIMINARY

Recorded Legal Description

Encroachment Statement



Utility Notes



SCALE 1" = 120'

Current Zoning Notes

LEGEND

Parking Table

General Notes

Notes Corresponding to Schedule B

Sheet 1 of 2

Field Notes

As–Surveyed Legal Description

Being the Lot created by the final plat of MEMC southwest addition, an addition to the City of Sherman, Grayson County, Texas, according to the plat of record in Volume 11, Page 1, plat records, Grayson County, Texas, and being more fully described in exhibit "A" attached.

BEING a 76.763 acre tract of land situated in the City of Sherman, in the James A. Foster Survey, Abstract No. 418, the Robert Foster Survey, Abstract No. 420 and the Marton G. Felers Survey, Abstract No. 427 of Grayson County, Texas and being part of the MEMC SOUTHWEST ADDITION, an addition to the City of Sherman, according to the plat thereof, recorded in Volumes 11, page 1 of the Map & Plat Records of Grayson County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at 1/2 inch iron rod topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found for the Northeast corner of and MEMC Southwest Addition, on the West right–of–way line of U.S. Highway 75 (variable width right–of–way at this point) and said point also being on the East line of that original called 470.340 acre tract of land described in a deed to Texas Instruments Incorporated; recorded in Volume 1036, Page 247 of the Deed Records of Grayson County, Texas (DRGCT):

THENCE: South 11 deg. 13 min. 59 sec. West, along the common line of said addition and highway, a distance of 1,017.15 feet Texas Department of Transportation (TXDOT) braes monument in concrete, found for the North corner of that certain called 1,506 acre tract of land described in a deed from MEMC Southwest, Inc. to the State of Texas, dated December 15, 2003 and recorded in Volume 3562, Page 651, DRGCT;

THENCE: Departing from the original East line of said MEMC Southwest Additional and along the West line of said 1,506 acre tract as follows:

South 22 deg. 32 min. 59 sec. West – 407.99 feet to a TXDOT monument found for corner;
South 11 deg. 13 min. 57 sec. West – 444.88 feet to a TXDOT monument found for corner;
South 50 deg. 56 min. 32 sec. West – 78.08 feet to a TXDOT monument found for corner;
South 11 deg. 15 min. 08 sec. West – 84.36 feet to a 1/2 inch iron rod, with cap, set for the Southwest corner of said 1.506 acre tract, on the South line of said MEMC Southwest Addition and same being the North right–of–way line of Shepherd Road as described to the City of Sherman by the above described plat recorded in Volume 11, page 1 of the Map & Plat Records of Grayson County, Texas;

THENCE: Along the common line of said MEMC Southwest Addition and said Shepherd Road as follows:

North 89 deg. 54 min. 01 sec. West – 384.25 feet to a 1/2 inch iron rod, with cap found for corner;
North 89 deg. 47 min. 22 sec. West – 741.16 feet to a 1/2 inch iron rod, with cap found for corner;
South 89 deg. 55 min. 13 sec. West – 308.42 feet to a 1/2 inch iron rod, with cap, found for the Southwest corner of said MEMC Southwest Addition and same being the East line of the above described Texas Instruments Incorporated original 470.340 acre tract;

THENCE: North 00 deg. 15 min. 45 sec. East, along the common line of said MEMC Southwest Addition and said Texas Instruments tract, a distance of 1,943.26 feet to a 1/2 inch iron rod, with cap, found for the Northwest corner of said MEMC Southwest Addition;

THENCE: South 89 deg. 53 min. 56 sec. East, continuing along the common line of said addition and said Texas Instrument tract, a distance of 1,943.27 feet to the POINT OF BEGINNING and containing 3,343,764 square feet 76.763 acres of land, more or less.

The above description describes the same property described in Title Commitment GF No. 4712009475, issued by Chicago Title Insurance Company with and effective date of January 25, 2016 at 8:00 a.m.

INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01,
CITY OF SHERMAN, TEXAS
VICINITY MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C.2.**

Meeting Date: 03/05/2018

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6347

Authorizing Execution of an Economic Development Program Agreement with Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for the Grant of Incentives Pursuant to Chapter 380 of the Texas Local Government Code

Issue:

Approving an Economic Development Program Agreement with Finisar Sherman RE HOLDCO, LLC (Finisar) for incentives authorized under Chapter 380 (380 Agreement) of the Texas Local Government Code

Background:

On Wednesday, January 17, 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, for a tax abatement involving a project to invest between $20 and $30 million in facility improvements, and an additional $120 million in manufacturing equipment in Sherman. The taxable value of Finisar's current property before improvements is about $12 million. The project began at the end of 2017 and is expected to be fully operational by the Fall of 2018 with approximately 600 highly paid employees, including management, engineering and executive level jobs, and highly-skilled and semi-skilled line and technical jobs.

At the February 19, 2018 meeting, the City Council created Industrial Reinvestment Zone, Number 022018-01.

The maximum statutory term of a tax abatement agreement is ten (10) years. Thus, this proposed 380 Agreement is to provide a grant of funds, expressed as a percentage of property taxes paid, to the taxpayer, payable only after the entire tax bill has been paid by the taxpayer for the year. This particular agreement proposes a grant for each of the five (5) years covered by the agreement beginning at 45% in year one and declining to 35% by year five.

Origination:

Finisar Sherman RE HOLDCO, LLC, Applicant
Robby Hefton, City Manager
Mayor and City Council Members

Financial Consideration:

During the five-year term of this agreement, this property is expected to generate about $3.0 million in property tax revenue; and the agreement will provide an estimated benefit of $1.2 to the taxpayer over the same period.

Staff Recommendation:

It is recommended that the City Council approve the proposed incentive agreement.

Alternatives:

The City Council could deny the agreement.

Attachments

Resolution No. 6347
Chapter 380 Agreement

RESOLUTION NO. 6347

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH FINISAR SHERMAN RE HOLDCO, LLC, A TEXAS LIMITED LIABILITY COMPANY, FOR THE GRANT OF INCENTIVES PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE; 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 Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Economic Development Program and Agreement with Finisar Sherman RE HOLDCO, LLC for the grant of incentives pursuant to Chapter 380 of the Texas Local Government Code, for the engineering, development and production of components for Apple iPhone's Facial Recognition Application and facilitate the development of complimentary facilities (collectively, the "Commercial Manufacturing Development") within Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas, 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

THE CITY OF SHERMAN, TEXAS

AND

FINISAR SHERMAN RE HOLDCO LLC

"CHAPTER 380" ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

This Economic Development Program Agreement ("Agreement") is made and entered into by and between the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas (the "City"), and Finisar Sherman RE HOLDCO, LLC, a Texas Limited Liability Company, (the "Company"), as of ____________________, 2018 (the "Effective Date").

W I T N E S S E T H:

WHEREAS, on March 5, 2018 the City adopted Resolution No. ____, which authorized the City to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380");

WHEREAS, the Company currently owns that certain tract of real property located within the City and as more particularly described on Exhibit A attached hereto (the "Project Site");

WHEREAS, Company desires to enter into this Agreement with respect to the Project Site pursuant to Chapter 380;

WHEREAS, the Company has made $20 million of improvements at the facility and invested an additional $120 million in personal property (collectively, the "Premises") on the Project Site;

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Company to promote continued local development within the City; and

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration (including the application fee paid by or on behalf of the Company to the City), the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Authorization.

The City has concluded that this Agreement is authorized by Chapter 380, and is authorized by Resolution of the City.

2. Definitions.

The following definitions shall apply to the terms used in this Agreement:

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement.

"Chapter 380" has the meaning set forth in the recitals to this Agreement.

"City" has the meaning set forth in the introductory paragraph of this Agreement.

"Company" has the meaning set forth in the introductory paragraph of this Agreement.

"Company Affiliate" means any Person, directly or indirectly controlling, controlled by, or under common control with the Company. 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.

"Effective Date" has the meaning set forth in the introductory paragraph of this Agreement.

"Force Majeure" means, 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 the Company (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

"Grant Certification" has the meaning set forth in Section 5(a) of this Agreement.

"Person" means an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

"Project Site" has the meaning set forth in the recitals to this Agreement.

"Tax Code" means the Texas Tax Code, as amended from time to time.

"Term" has the meaning set forth in Section 3 of this Agreement.

All references in this Agreement to a "tax year" mean a calendar year.

3. Term.

This Agreement shall be effective as of the Effective Date and shall remain in full force and effect until the end of "Grant Term Year 5."

4. Property Tax Incentives:

(a) Project Site. Subject to Section 4(b), Section 4(c), and Section 4(d), the City shall, for each Grant Term Year, make a grant (in cash) to the Company in an amount measured by a percentage of City ad valorem taxes paid by the Company and Company Affiliates with respect to each Qualified Facility and business personal property located therein or otherwise on the Project Site as follows:

Grant Term Year	Percentage of City Taxes Used to Measure Grant
Grant Term Year 1	45%
Grant Term Year 2	45%
Grant Term Year 3	40%
Grant Term Year 4	40%
Grant Term Year 5	35%

(b) Construction Covenant. Notwithstanding anything to the contrary in Section 4(a), if the Construction Condition is not met (plus extensions due to Force Majeure), then no grant under this Agreement shall be provided.

(c) Operation Covenant. The Company shall operate the Facility in accordance with prudent industry standards and applicable law

(d) Property Tax Covenant. Throughout the term of this Agreement, the Company shall timely pay all property taxes for the Project and real and personal property located therein due and owing by it to all relevant taxing jurisdictions.

(e) Payment of Grant. Each grant for each Grant Term Year shall be paid to the Company not later than February 28 of the immediately following year (unless the Challenge Notice procedure set forth in Section 5 hereof makes such payment date impossible, in which case the grant shall be paid within thirty days following the Auditor's determination); provided however, that no such rebate is due until after the Company or a Company Affiliate has paid the City property taxes upon which the grant is measured. The City hereby agrees that it has available and dedicated funds to make the grants contemplated by this Agreement.

5. Certification/Verification

(a) On or before the first January 31 following each Grant Term Year, the Company shall certify in writing to the City whether the conditions set forth in Sections 4(b), (c), and (d) (provided that once the condition described in Section 4(b) has been met, then no further certification shall be required with respect to such condition) hereof have been met (each, a "Grant Certification"). On or before the first February 21 following the relevant Grant Term Year, the City may object (by delivering a written notice to the Company) (a "Challenge Notice") to such Grant Certification (it being understood that the City may elect to object to all or any portion of the conclusions in the Certification). If a Challenge Notice is not timely delivered to the Company for a particular Grant Certification, then such Grant Certification shall be final, binding, nonappealable and conclusive on each of the Company and the

City with respect to all matters addressed in such Grant Certification (and the Grant Certification shall also be binding, nonappealable and conclusive on each of the Company and the City with respect to all matters addressed therein that are not challenged by the City in a timely Challenge Notice). If, however, a timely Challenge Notice is delivered, then (i) the Company and the City shall attempt to resolve all issues raised in the Challenge Notice; and (ii) if the process in clause (i) above does not result in an agreement between the Company and the City concerning all such issues within twenty days following the date of delivery of the relevant Challenge Notice, then an independent accounting firm jointly selected by the City and the Company (the "Auditor") shall determine whether each challenged condition set forth in the Grant Certification has been met. The Auditor shall allocate the payment of the Auditor's fees and expenses to the City and/or the Company based upon the percentage of the Company's certifications that are correct; thus, for illustration purposes only, if the City challenges three Company conclusions and the Auditor determines that two such conclusions are correct and one is incorrect, then the Company would pay one-third of the Auditor's fees and expenses and the City would pay two-thirds of the Auditor's fees and expenses

(b) All determinations by the Auditor shall be final, nonappealable and conclusive. (c) The Auditor shall have reasonable access to the Company's books, records and other information as is necessary to make the determination(s) described above, but shall not have any access to any of the Company's books, records or other information that is not required to make such determination(s). In all events, the Auditor shall keep all information obtained by it from the Company confidential (and, for example, shall not disclose such information to the City, with the City receiving only the Auditor's final conclusions described above), and, prior to having access to any of the Company's records, shall execute and deliver to the Company a commercially reasonable form of confidentiality agreement submitted by the Company. Any report prepared by the Auditor shall not include any information deemed confidential or proprietary by the Company. Without limitation, the Auditor's report shall contain only totals and conclusions and shall not include any specific salary, benefit or other business or proprietary information of the Company.

6. <u>Development Incentives</u>.

(a) The City shall use all reasonable efforts to expedite its building review and approval process with respect to all aspects of the Project. The City shall not charge the Company any fees for expediting its review and approval process.

(b) The City shall (i) direct the City Director of Engineering and Director of Development to be the Company's direct contacts and primary liaisons (between the City and the Company) with respect to the Project; (ii) use all reasonable efforts to cause permits to be issued; (iii) allocate to the Project building plan review sufficient staff to facilitate the accelerated review of submitted construction plans;

and (iv) use all reasonable efforts to expedite the review and approval of architectural plans and drawings for the Project.

7. Default.

If the City defaults with respect to any of its obligations hereunder and fails, within thirty (30) days after delivery of written notice of such default from the Company, to cure such default, then the Company, by action or proceeding at law or in equity, may be awarded its damages for such default, including all reasonable attorneys' fees and costs incurred in connection with such default. If the Company defaults with respect to any of its obligations hereunder and fails, within sixty (60) days after delivery of written notice of such default from the City, to cure such default or such longer time as is reasonably necessary to address a default due to Force Majeure or to address a default that cannot be cured within such 60-day period provided that the Company is diligently attempting to cure, then the City may terminate this Agreement.

The Company's failure to meet a condition set forth in Sections 4(b), (c) or (d) hereof (and failure to submit a Grant Certification, it being understood that the sole result of not submitting such certification for a particular year shall be the Company's not receiving rebates hereunder for such year so long as the Company received at least one prior notice from the City that such certification was due) for a particular year shall result only in the loss of rebates for such year. The Company's only liability for failing to meet a condition or breach shall be those set forth in this Section 7 and Section 4.

8. Mutual Assistance.

The City and the Company shall take all reasonable measures that are necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

9. Representations and Warranties.

The City represents and warrants to the Company that this Agreement is within the scope of its authority and the provisions of its charter, and that it is duly authorized and empowered to enter into this Agreement under Chapter 380.

10. INDEMNIFICATION

A. **IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE CITY IN THIS AGREEMENT, COMPANY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY, ITS COUNCIL MEMBERS, 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, REASONABLE 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**

RESULTING FROM COMPANY'S CONSTRUCTION AND OPERATION OF THE FACILITY.

B. Notice of Indemnified Loss. The City's Indemnified Party shall promptly notify Company 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 9. 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, Company shall, upon notice from the City's Indemnified Party or its authorized agents or representatives, at Company's sole cost and expense, resist and defend the same with legal counsel selected by Company; provided, however, that Company shall not admit liability in any such matter on behalf of the City's Indemnified Party without the City's express written consent. Nothing herein shall be deemed to prevent the City's Indemnified Party at its election and at its own expense from cooperating with Company and participating in the defense of any litigation by their own counsel. If Company fails to retain defense counsel within ten (10) 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 Company 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 a City Indemnified Party will be the amount of the City Indemnified Party's Losses net of any insurance proceeds received by the City Indemnified Party following a reasonable effort by the City Indemnified Party to obtain such insurance proceeds.

11. <u>Section or Other Headings</u>.

Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

12. <u>Attorneys Fees</u>.

In the event any legal action or proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action.

13. <u>Entire Agreement</u>.

This Agreement contains the entire agreement between the parties with respect to the transactions contemplated herein.

14. Amendment.

This Agreement may only be amended, altered, or revoked by written instrument signed by the Company and the City.

15. Successors and Assigns.

This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and all Company Affiliates, and their respective successors and assigns. The Company may assign all or part of its rights and obligations hereunder (irrespective of whether the Company ever owns all or any part of the Project Site) (a) without the prior written approval of the City, to any Company Affiliate, (b) without the prior written approval of the City, to any Person that acquires all or a portion of the Project Site or any improvement thereon and then leases such property to the Company or any Company Affiliate, (c) without the prior written approval of the City, to any assignee that can meet the conditions set forth in Sections 4(b) (if still applicable), (c),and (d) above; and (d) to any Person not described in clause (a), (b) or (c) above, with the prior written approval of the City, which shall not be unreasonably withheld, conditioned or delayed. Any assignment in violation of this Section 15 shall not affect any grants with respect to which the Company or any Company Affiliate is already entitled.

16. Notice.

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, hand delivered or sent by overnight delivery service (by any method of delivery offered by such overnight carrier), addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

Company:	Dr. Jeffrey Brown Finisar Sherman RE HOLDCO, LLC 6800 South Hwy 75 Sherman, Texas 75090
City:	City Manager City of Sherman 220 West Mulberry Sherman, Texas 75091-1106

17. Interpretation.

Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

18. Applicable Law.

This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in a court located in Grayson County, Texas.

19. Severability.

In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

20. Counterparts.

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, but all of which shall constitute one instrument.

CITY OF SHERMAN, TEXAS

By: ______________________________

DAVID PLYLER, MAYOR

ATTEST:

____

Linda Ashby, City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM
AND LEGALITY:

____

Brandon Shelby, City Attorney

Date: ______________________

FINISAR SHERMAN RE HOLDCO, LLC

(CORPORATE SEAL)

By:	______________________________
Name:	**Dr. Jeffrey Brown**
Title:	**Sherman Plant Manager**
Address:	**6800 South Hwy 75** **Sherman, TX 75090**

CITY ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared David Plyler, Mayor of the CITY OF SHERMAN, TEXAS, a municipal corporation, known to me to be the person acknowledged to me that the same was the act of the said CITY OF SHERMAN, TEXAS, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Sherman, Texas, and that he 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 ____________________________, 2018.

____
Notary Public in and for
the State of Texas

____
Notary's Printed Name

My Commission Expires:

____

COMPANY ACKNOWLEDMENT

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Dr. Jeffrey Brown, Finisar Sherman RE HOLDCO, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said entities.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ______ day of ______________________________, 2018.

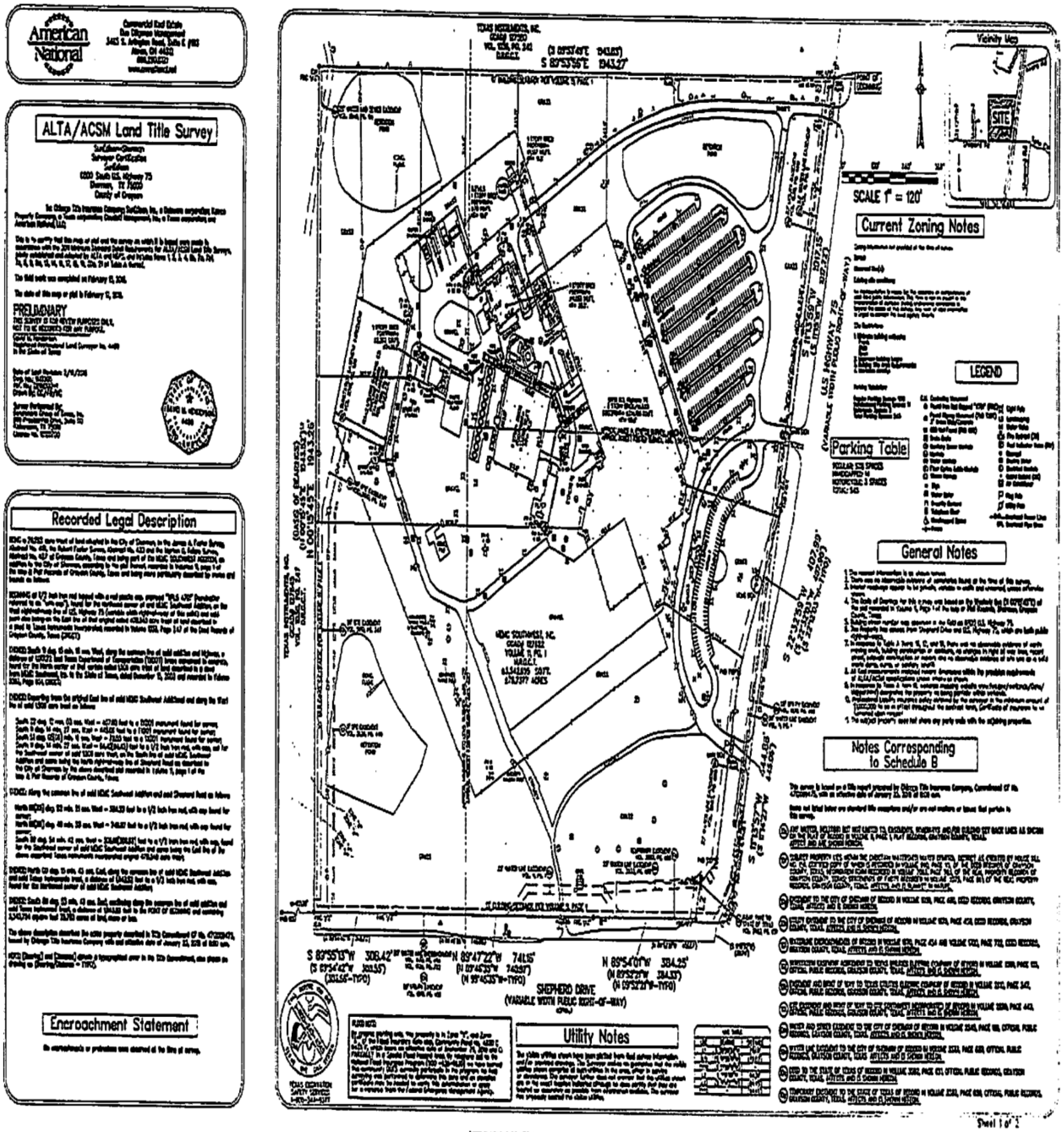
____
Notary Public in and for
the State of Texas

____
Notary's Printed Name

My Commission Expires:

____

EXHIBIT A



As-Surveyed Legal Description

Being the Lot created by the final plat of MEMC southwest addition, an addition to the City of Sherman, Grayson County, Texas, according to the plat of record in Volume 11, Page 1, plat records, Grayson County, Texas, and being more fully described in exhibit "A" attached.

BEING a 76.763 acre tract of land situated in the City of Sherman, in the James A. Foster Survey, Abstract No. 418, the Robert Foster Survey, Abstract No. 420 and the Marton G. Fellers Survey, Abstract No. 427 of Grayson County, Texas and being part of the MEMC SOUTHWEST ADDITION, an addition to the City of Sherman, according to the plat thereof, recorded in Volumes 11, page 1 of the Map & Plat Records of Grayson County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at 1/2 inch iron rod topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found for the Northeast corner of and MEMC Southwest Addition, on the West right-of-way line of U.S. Highway 75 (variable width right-of-way at this point) and said point also being on the East line of that original called 470.340 acre tract of land described in a deed to Texas Instruments Incorporated; recorded in Volume 1036, Page 247 of the Deed Records of Grayson County, Texas (DRGCT):

THENCE: South 11 deg. 13 min. 59 sec. West, along the common line of said addition and highway, a distance of 1,017.15 feet Texas Department of Transportation (TXDOT) brass monument in concrete, found for the North corner of that certain called 1,506 acre tract of land described in a deed from MEMC Southwest, Inc. to the State of Texas, dated December 15, 2003 and recorded in Volume 3562, Page 651, DRGCT;

THENCE: Departing from the original East line of said MEMC Southwest Additional and along the West line of said 1,506 acre tract as follows:

South 22 deg. 32 min. 59 sec. West – 407.99 feet to a TXDOT monument found for corner;
South 11 deg. 13 min. 57 sec. West – 444.88 feet to a TXDOT monument found for corner;
South 50 deg. 56 min. 32 sec. West – 78.08 feet to a TXDOT monument found for corner;
South 11 deg. 15 min. 08 sec. West – 84.36 feet to a 1/2 inch iron rod, with cap, set for the Southwest corner of said 1.506 acre tract, on the South line of said MEMC Southwest Addition and same being the North right-of-way line of Shepherd Road as described to the City of Sherman by the above described plat recorded in Volume 11, page 1 of the Map & Plat Records of Grayson County, Texas;

THENCE: Along the common line of said MEMC Southwest Addition and said Shepherd Road as follows:

North 89 deg. 54 min. 01 sec. West – 384.25 feet to a 1/2 inch iron rod, with cap found for corner;
North 89 deg. 47 min. 22 sec. West – 741.16 feet to a 1/2 inch iron rod, with cap found for corner;
South 89 deg. 55 min. 13 sec. West – 308.42 feet to a 1/2 inch iron rod, with cap, found for the Southwest corner of said MEMC Southwest Addition and same being the East line of the above described Texas Instruments Incorporated original 470.340 acre tract;

THENCE: North 00 deg. 15 min. 45 sec. East, along the common line of said MEMC Southwest Addition and said Texas Instruments tract, a distance of 1,943.26 feet to a 1/2 inch iron rod, with cap, found for the Northwest corner of said MEMC Southwest Addition;

THENCE: South 89 deg. 53 min. 56 sec. East, continuing along the common line of said addition and said Texas Instrument tract, a distance of 1,943.27 feet to the POINT OF BEGINNING and containing 3,343,764 square feet 76.763 acres of land, more or less.

The above description describes the same property described in Title Commitment GF No. 4712009475, issued by Chicago Title Insurance Company with and effective date of January 25, 2016 at 8:00 a.m.

Sheet 2 of 2

INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01,
CITY OF SHERMAN, TEXAS
VICINITY MAP

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C.3.**

Meeting Date: 03/05/2018

Prepared By: Zachary Flores, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6348

Authorizing Submission of an Application for a Grant Awarded under the Office of the Governor - Criminal Justice Division to Fund the Purchase of a Cyanoacrylate Fuming Chamber for Law Enforcement Use within the Sherman Police Department; Designating the City Manager as the Authorized Official to Accept, Reject, Alter or Terminate the Grant on Behalf of the City

Issue:

Seeking approval to apply for a grant from the Officer of the Governor - Criminal Justice Division to purchase a CApture BT Cyanoacrylate Fuming Chamber for law enforcement use within the Sherman Police Department and designating the City Manager as the authorized official to accept, reject, alter or terminate the grant on behalf of the City

Background:

The Office of the Governor - Criminal Justice Division, in conjunction with the Texoma Council of Governments, is accepting grant applications for projects that reduce crime and improve the criminal justice system during the State fiscal year (FY) 2018 grant cycle. The source of funding is a biennial appropriation by the Texas Legislature from funds collected through court costs and fees, and/or federal funding under the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. If awarded, the Police Department plans to use this grant to purchase a CApture BT Cyanoacrylate Fuming Chamber to aid in the collection of fingerprinting data that will assist officers in the apprehension of suspects involved in a variety of crimes. Projected cost for this purchase is $12,897.25.

Origination:

Police Department

Financial Consideration:

There are no matching requirements for this grant. The purchase of the Cyanoacrylate Fuming Chamber, if the grant is awarded, is expected to be in FY 2018-2019.

Staff Recommendation:

The staff recommends authorizing the submission of the grant application.

Alternatives:
The Council could decline this grant opportunity.

Attachments

Resolution No. 6348
Justice Assistance Grant Solicitation

RESOLUTION NO. 6348

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED UNDER THE OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION TO FUND THE PURCHASE OF A CYANOACRYLATE FUMING CHAMBER FOR LAW ENFORCEMENT USE WITHIN THE SHERMAN POLICE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, finds it to be in the best interest of the citizens of Sherman, Texas, to seek grant funds to purchase a CApture BT Cyanoacrylate Fuming Chamber for law enforcement use for the Sherman Police Department; and

WHEREAS, the City Council understands the expected total grant application is estimated at Twelve Thousand Eight Hundred Ninety-Seven Dollars and Twenty-Five Cents ($12,897.25); and there is no matching requirement for the grant as required by the Office of the Governor - Criminal Justice Division; and

WHEREAS, the City Council agrees that, in the event of loss or misuse of the Office of the Governor - Criminal Justice Division funds, the City of Sherman assures that said funds will be returned to the Office of the Governor - Criminal Justice Division in full; and

WHEREAS, the City Council designates the City Manager as the grantee's authorized official, who is given the power to accept, reject, alter or terminate the grant on behalf of the City;

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to submit a grant application with the Office of the Governor - Criminal Justice Division to fund the purchase of a CApture BT Cyanoacrylate Fuming Chamber for law enforcement use within the Sherman Police Department.

SECTION 2. That the City Manager be and is hereby designated as the City of Sherman's authorized official to accept, reject, alter or terminate the grant on behalf of the City.

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

PASSED AND APPROVED on this the _____ day of ___________________, 2018.

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

Office of the Governor

Criminal Justice Division

Funding Announcement:

Justice Assistance Grant Program

December 1, 2017

Opportunity Snapshot

Below is a high-level overview. Full information is in the funding announcement that follows.

Purpose

The purpose of this program is to promote public safety, reduce crime, and improve the criminal justice system.

Eligible Purpose Areas

Projects must fall under one of four categories: Prevention or Intervention, General Criminal Justice System Support, Targeted Criminal Justice Response, and Recidivism Reduction.

Organizational Eligibility

Applications may be submitted by state agencies, public and private institutions of higher education, independent school districts, Native American tribes, councils of government, non-profit corporations (including hospitals and faith-based organizations), and units of local government, which are defined as a non-statewide governmental body with the authority to establish a budget and impose taxes.

Project Periods

Continuation projects may not exceed a 12-month period.

Budget

The minimum allowed under this program is $10,000 and there is no maximum funding request.

Match

There is no match requirement under this program.

Process

Applications under this funding announcement must be submitted in eGrants at: eGrants.gov.texas.gov

Timelines

Action	Date
Funding Announcement Release	12/01/2017
Online System Opening Date	12/18/2017
Final Date to Submit an Application	02/20/2018 at 5:00PM CST
Earliest Project Start Date	10/01/2018
Latest Project Start Date	12/01/2018

Contact Information

For more information, contact the eGrants help desk at eGrants@gov.texas.gov or (512) 463-1919.

Table of Contents

Justice Assistance Grant Program

Overview of Application Process

Applicants should carefully review the application process as outlined below. CJD will not consider applications that fail to adequately address the application requirements and prompts, including those that have been previously approved for funding and/or are recommended for funding by local Criminal Justice Advisory Committees.

- ☐ **Step 1 – Review eligibility and requirements:**
  - The Eligibility section outlines who may apply, which purpose areas will be considered, and the expenses and activities eligible to be included.
  - The Program-Specific Details section has information on timelines, reporting, and funding.
  - The Standard CJD Requirements section addresses application and project requirements.
- ☐ **Step 2 – Contact your regional criminal justice planner (local and regional projects only):** The regional Council of Governments' (COG) Criminal Justice Advisory Committee will review local and regional applications first, and some COGs have additional, mandatory application procedures. Applicants should contact their COG's criminal justice planner early as possible. A directory is available at http://txregionalcouncil.org/regional-programs/criminal-justice/cjcontacts/ .
- ☐ **Step 3 – Develop your project:** Before starting your application, applicants should develop a concrete understanding of their project and read CJD's *Developing a Good Project Narrative* at http://gov.texas.gov/cjd/resources, which details how to explain:
  - **What the project will accomplish:** What problem will the project solve? Who is the targeted population to serve and/or prosecute? What does success look like and how do you measure it?
  - **How the project will help:** What specifically will you do? What standards or evidence says it's an effective approach? What capabilities are needed to succeed?
  - **What is required for success:** What resources (including funding) does the project require?
- ☐ **Step 4 - Apply in eGrants:** Compile and submit your grant application via eGrants, at http://eGrants.gov.texas.gov . For more instructions and information, see *How to Apply for a CJD Grant*, available at http://gov.texas.gov/cjd/resources.
- ☐ **Step 5 - Funding Decisions and Grant Acceptance:** Await the funding decision, which is provided through a grant award or other notice from CJD. If you receive an award, complete the acceptance process to access funds.

Application Resources

CJD has published several resources to assist applicants in understanding and applying for funding, all of which can be found at http://gov.texas.gov/cjd/resources

- ***Developing a Good Project Narrative***: Guidance on how to formulate an effective project, and how to communicate it clearly in the application's narrative prompts.
- ***How to Apply for a CJD Grant***: Instructions on how to file an application in eGrants.
- ***Guide to Grants***: CJD policies and guidance on common grant issues.
- ***Grantee Conditions and Responsibilities***: A compendium of CJD and Homeland Security Grants Division policies for all grantees.
- ***Standard Certifications and Requirements***: CJD's standard requirements that the Authorized Official must certify upon applying for a grant.
- ***CJD Grant Activities and Measures***: A reference for applicants on the activities allowed for different project types and the measures associated with each.

Eligibility

Eligible Organizations

Applications may be submitted by state agencies, public and private institutions of higher education, independent school districts, Native American tribes, councils of governments, non-profit corporations (including hospitals and faith-based organizations), and units of local government, which are defined as a non-statewide governmental body with the authority to establish a budget and impose taxes.

All applications submitted by local law enforcement agencies/offices must be submitted by a unit of government affiliated with the agency, including an authorizing resolution from that unit of government. For example, police departments must apply under their municipal government, and community supervision and corrections departments, district attorneys, and judicial districts must apply through their affiliated county government (or one of the counties, in the case of agencies that serve more than one county).

Eligible Activities and Costs

The following list of eligible and ineligible activities and costs apply generally to all projects under this announcement, unless otherwise noted in the purpose area-specific sections below. For definitions, see *CJD Grant Activities and Measures* (available at http://gov.texas.gov/cjd/resources)

Eligible:

1. General law enforcement or public safety;
2. Targeted prosecution or investigation;
3. Training, professional development, or technical assistance received (training performed for grantee employees or volunteers, by in-house employees or outside trainers);

4. Training, professional development, or technical assistance provided (training performed for others outside of the organization, by the grantee);
5. Equipment and technology;
6. Program evaluation and assessment;
7. Casework, non-licensed counseling, individual advocacy, or other support;
8. Counseling or treatment for substance abuse;
9. Counseling, therapy, or other care performed by a licensed professional;
10. Instruction and support for academic programs;
11. Instruction and support for employment or the workforce;
12. Instruction and support for life, social, or emotional skills;
13. Materials or curriculum development; and
14. Research or statistical activities.

Ineligible:

Projects funded under this announcement may not be used to support the unallowable services, activities, and costs listed in the *Guide to Grants* (available at http://gov.texas.gov/cjd/resources) and:

1. Body-worn cameras (funding for body-worn cameras is available under the Body-Worn Camera Program);
2. Rifle-resistant body armor (body armor of Type III and below are eligible);
3. Construction, renovation, or remodeling;
4. Medical services;
5. Security enhancements or equipment for non-governmental entities not engaged in criminal justice or public safety;
6. Non-law enforcement vehicles or equipment for government agencies that are for general agency use;
7. Transportation, lodging, per diem or any related costs for participants, when grant funds are used to develop and conduct training;
8. Equipment, supplies, and other direct costs associated with processing DNA evidence;
9. Law enforcement equipment that is standard department issue (not including body armor);
10. Costs associated with implementing the National Incident-Based Reporting System (NIBRS) (*agencies seeking funds for NIBRS projects should apply for funding under the NIBRS funding announcement*);
11. Automated license plate readers, cell-site simulators, drones, or other surveillance equipment that may infringe upon the civil liberties of Texans;
12. Activities or costs in support of Operation Borderstar (*agencies seeking such funding should apply under Homeland Security and Grants Division funding announcements*)
13. Any other prohibition imposed by federal, state or local law or regulation.

Items on the Department of Justice controlled purchase list (available at http://www.bja.gov/Funding/JAGControlledPurchaseList.pdf) will be approved on a case-by-case basis and at the sole discretion of CJD. Including such items in the application may result in the delay or denial of applications.

Eligible Purpose Areas

Applications must designate their project as falling under one of the below four categories of purpose areas:

- **General Justice System Support**
- **Targeted Criminal Justice Response**
- **Recidivism Reduction**
- **Prevention or Intervention**

Applications must also contain target measures that demonstrate the scope of the project. These targets will be one measure of project success and grantees will be required to report periodic progress towards them. Each of the purpose areas and sub-categories have measures that correspond to them and specific activities. For a list of the measures and activities for this funding announcement, see *CJD Grant Activities and Measures*, available at http://gov.texas.gov/cjd/resources**.**

General Justice System Support

General Justice System Support projects have a goal of improving general effectiveness or efficiency of components of the criminal justice system. Projects that target specific crimes or criminal elements should be submitted under "Targeted Criminal Justice Response".

Projects should fall under these sub-categories:

- **Operational Support.** These projects will improve the general capacity and capability of criminal justice agencies through direct support of operations, including training and equipment. Examples: 1) A project to provide de-escalation training for law enforcement officers; 2) A project to purchase mobile data terminals to give law enforcement officers access to information while in the field.
- **Administrative Support.** These projects will improve the efficiency of criminal justice agencies in performing administrative functions. Examples: 1) A project to overhaul a police department's workflow and processes for crime reporting; 2) A project to purchase record management system software for a court or law enforcement agency.

Targeted Criminal Justice Response

Targeted Criminal Justice Response projects respond to specific crimes or criminal elements, with the ultimate goal of increasing the successful prosecutions of those crimes. Applications for these projects should clearly define the targeted set of crimes or criminal elements, have data on the severity of the problem, and how the project will identify and pursue offenders.

Projects should fall under these sub-categories:

- **Targeted Investigations.** These projects increase successful clearances for targeted sets of crime. Example: A project to conduct proactive investigations on a specific type of crime such as human trafficking, gang activity, or domestic violence.
- **Specialized Prosecutions.** These projects increase successful prosecutions (including convictions, deferred adjudications, and diversions) for targeted sets of crimes. Example: A project to provide a specialized prosecutor for child abuse, human/drug trafficking, or sexual assault.
- **Operational Support:** These projects will improve the general capacity and capability of targeted criminal justice responses through direct support of investigations or prosecutions, including equipment and training. Examples: 1) A project that replaces and/or upgrades forensic equipment used in the investigation or prosecution of specific crimes; 2) A project to provide targeted training for law enforcement officers on forensics, human trafficking, highway interdiction, gangs, border patrol, and drug trafficking; 3) A project to provide analysis of sexual assault forensic evidence kits to reduce a backlog.
- **Administrative Support.** These projects will improve the efficiency of criminal justice agencies in administrative functions supporting targeted responses to crime. Example: A project that provides equipment replacement and/or upgrades that improve efficacy and efficiency of targeted crime investigations such as evidence management software.

Recidivism Reduction

Recidivism reduction projects have an ultimate goal of reducing crimes committed by offenders.

Projects should fall under these sub-categories:

- **Diversion and Community Supervision.** These projects prevent recidivism among non-incarcerated offenders, including those enrolled in specialty court programs. Examples: 1) A project that provides increased case management and supervision for individuals on probation; 2) A project to provide substance abuse treatment to an individual enrolled in a specialty court program.
- **Re-entry.** These projects prevent recidivism among offenders who will – or have already – returned to the community after a sentence of incarceration. Examples: 1) A project that provides after-care for offenders who received substance abuse treatment while in jail; 2) A project to provide job training to offenders who are currently incarcerated.

Prevention or Intervention

Prevention or Intervention projects reduce criminal or delinquent behavior and opportunities to commit crime, with the goal of reducing criminal offenses.

Projects should fall under these sub-categories:

- **Criminal and Delinquent Behavior Prevention.** These projects work with individuals at-risk of criminal or delinquent behavior. Example: A community-based program that provides early intervention services to individuals at risk of becoming involved in the criminal justice system.

- **Public Safety and Security Awareness.** These projects intervene with potential victims to reduce opportunities to commit crime. Examples: 1) A project that performs outreach to at-risk youth who may potentially become victims of sex trafficking; 2) A project to reduce drug dealing at residential rental properties by improving property management practices.

Program-Specific Details

Timeline

Action	Date
Funding Announcement Release	12/01/2017
Online System Opening Date	12/18/2017
Final Date to Submit an Application	02/20/2018 at 5:00PM CST
Earliest Start Date	10/01/2018
Latest Start Date	12/01/2018

Funding and Reporting Details

Category	Detail
Funds Available	Up to $12 million[1]
Budget Minimum	$10,000
Budget Maximum	None
Match Requirement	No match required
Project Period	May *not* exceed 12 months
Program Income Method	Deduction (if applicable)
Funding Source	Federal: Authorized under the Edward Byrne Memorial Justice Assistance Grant Program (JAG), 42 U.S.C. 3751(a).
Financial Reporting	At least quarterly, submitted via Financial Status Reports in eGrants
Financing Method	Reimbursement-for-costs basis
Progress Reporting	Quarterly, submitted via the Public Policy Research Institute at Texas A&M University at http://cjd.tamu.edu [2]

1) Awards are funded through a federal government award and appropriated by Congress. All awards are subject to the availability of appropriated federal funds and any modifications or additional requirements that may be imposed by law.
2) CJD may require additional reporting through a condition of funding, as needed.

Standard CJD Requirements

When accepting an award under this funding announcement, the grantee agrees to comply with a variety of state and federal laws and regulations, including requirements related to Uniform Crime Reports, criminal history reporting, and immigration and customs enforcement requests. For more information see the following documents, available at http://gov.texas.gov/cjd/resources.

- *Standard Certifications and Requirements*
- *Grantee Conditions and Responsibilities*
- *Guide to Grants*

Selection Process

Application Screening: CJD will screen all applications to ensure that they meet the requirements included in the funding announcement. Applications that meet those requirements will move forward to the merit review phase.

Merit Review – Local Projects: Projects with a local impact will be reviewed by a panel appointed by the local Council of Governments using their own criteria. The merit review panels will assess the applications for quality and rank by priority, and then report their findings to the CJD executive director.

Merit Review – Statewide Projects: Projects with a statewide impact will be reviewed by a panel appointed by the CJD executive director in an effort to prioritize funding. The merit review panel will assess and score each application on a 100-point scale, and then report its findings to the executive director. Scores will be based on standard criteria. For more information, see *How to Apply for a CJD Grant,* available at http://gov.texas.gov/cjd/resources.

Final Decisions – All Projects: The executive director will consider merit review rankings along with other factors and make all final funding decisions. Other factors may include cost effectiveness, overall funds availability, CJD or state government priorities and strategies, legislative directives, need, geographic distribution, balance of focuses and approaches, or other relevant factors.

CJD may not fund all applications or may only award part of the amount requested. Per Rule 3.9 of the Texas Administrative Code, all funding decisions made by the executive director are final and are not subject to appeal. The receipt of an application by CJD does not obligate CJD to fund the grant or to fund it at the amount requested.

Announcements

After CJD makes final funding decisions, each applicant will receive either an unfunded notice or a preliminary decision notification or final grant award. Release of final grant awards for federally funded programs are always contingent on CJD's receipt of the federal grant award for that program and CJD cannot release or guarantee funding to any applicant until it has received and accepted the federal award and a determination is made that adequate funding is available.

About CJD

Our mission at the Criminal Justice Division is to direct much needed resources to those who are committed to making Texas a safer place and those who help victims of crime to recover and feel safe again. In carrying out this mission, we are committed to helping our grantees by actively finding ways for them to accomplish their goals and by making sure that we always have our eye to identifying the approaches that work best. We envision positive and beneficial working relationships with our grantees where we provide as much assistance as is needed and where are always ready with answers, not burdensome restrictions or requirements.

CJD will make over $275 million in funding available to hundreds of organizations during state fiscal year 2018 for juvenile justice, delinquency prevention, victims services, law enforcement, prosecution, courts, specialty courts, prevention of child sex trafficking, and other types of projects to benefit Texans.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C.4.**

Meeting Date: 03/05/2018

Prepared By: Zachary Flores, Police Chief

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6349

Authorizing Submission of an Application for a Grant Awarded under the Office of the Governor - Criminal Justice Division to Fund the Purchase of Twenty-Five Body-Worn Cameras for Law Enforcement Use within the Sherman Police Department; Designating the City Manager as the Authorized Official to Accept, Reject, Alter or Terminate the Grant on Behalf of the City

Issue:

Seeking authorizing for submission of an application for a grant awarded under the Office of the Governor - Criminal Justice Division to fund the purchase of twenty-five (25) body-worn cameras for law enforcement use within the Sherman Police Department; Designating the City Manager as the authorized official to accept, reject, alter or terminate the grant on behalf of the city

Background:

The Office of the Governor - Criminal Justice Division is again accepting grant applications from all Texas municipalities for the purchase of body-worn cameras to be worn by police officers. The Criminal Justice Division's goal is to provide needed funding to improve public safety and support victims of crime. The continuation of the City of Sherman body-worn camera project will further serve as a tool for law enforcement to enhance officer interactions with the public, build community trust, and gather important evidence for use in the prosecution of crimes. The expected total grant application is estimated at $21,195.50; and there is a twenty-five percent (25%) matching requirement for this grant.

Origination:

Police Department

Financial Consideration:

If this grant is awarded, it will likely be in fiscal year (FY) 2019. If authorized to proceed, the police department would budget the twenty-five percent (25%) local matching requirement for this grant in the FY 2019 budget. That amount is estimated to be $5,298.75, based on receiving the full requested amount of the grant.

Staff Recommendation:

The staff recommends authorizing the submission of the 2018 Body-Worn Grant application.

Alternatives:
The Council could decline this grant opportunity.

Attachments

Resolution No. 6349
Justice Assistance Grant Solicitation

RESOLUTION NO. 6349

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED UNDER THE OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION TO FUND THE PURCHASE OF TWENTY-FIVE BODY-WORN CAMERAS FOR LAW ENFORCEMENT USE WITHIN THE SHERMAN POLICE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas, finds it to be in the best interest of the citizens of Sherman, Texas, to seek grant funds to purchase twenty-five (25) body-worn cameras for law enforcement use for the Sherman Police Department; and

WHEREAS, the City Council understands the expected total grant application is estimated at Twenty-One Thousand One Hundred Ninety-Five Dollars and Fifty Cents ($21,195.50); and there is a twenty-five percent (25%) matching requirement for the grant as required by the Office of the Governor - Criminal Justice Division; and

WHEREAS, the City Council agrees that, in the event of loss or misuse of the Office of the Governor - Criminal Justice Division funds, the City of Sherman assures that said funds will be returned to the Office of the Governor - Criminal Justice Division in full; and

WHEREAS, the City Council designates the City Manager as the grantee's authorized official, who is given the power to accept, reject, alter or terminate the grant on behalf of the City;

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

<u>SECTION 1.</u> That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to submit a grant application with the Office of the Governor - Criminal Justice Division to fund the purchase of twenty-five (25) body-worn cameras for law enforcement use within the Sherman Police Department.

<u>SECTION 2.</u> That the City Manager be and is hereby designated as the City of Sherman's authorized official to accept, reject, alter or terminate the grant on behalf of the City.

<u>SECTION 3.</u> 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

BY: ________________________________
DAVID PLYLER, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

Office of the Governor

Criminal Justice Division

Funding Announcement:

Body-Worn Camera Program,

Third-Round Funding Announcement (Amended)

December 1, 2017

Opportunity Snapshot

Below is a high-level overview. Full information is in the funding announcement that follows.

Purpose

The purpose of this program is to aid municipal police departments and county sheriffs' offices in establishing or enhancing body-worn camera (BWC) programs.

Eligible Purpose Areas

Projects under this funding announcement are classified as: General Criminal Justice System Support – General Operational Support.

Organizational Eligibility

Applications may be submitted by municipal governments or counties who operate municipal police departments or county sheriff's departments that employ officers who are engaged in traffic or highway patrol, otherwise regularly detain or stop motor vehicles, or are primary responders to calls for assistance from the public. Governments that received prior CJD body-worn camera grants are eligible to apply under this funding announcement, but will be given lower priority than first-time applicants.

Project Periods

Projects may not exceed a 12-month period.

Budget

There is no minimum or maximum budget under this program.

Match

Grantees must provide matching funds equal to 20% of the total project cost. The match requirement can be met through cash or in-kind contributions. Match funds may not be in the form of discounts or contributions from camera or storage vendors.

Process

Applications under this funding announcement must be submitted in eGrants at: eGrants.gov.texas.gov.

Timelines

Action	Date
Funding Announcement Release	10/01/2017
Online System Opening Date	12/18/2017
Final Date to Submit an Application	02/20/2018 at 5:00PM CST
Earliest Project Start Date	06/01/2018
Latest Project Start Date	09/01/2018

Contact Information

For more information, contact the eGrants help desk at eGrants@gov.texas.gov or (512) 463-1919.

Table of Contents

Body-Worn Camera Program

Overview of Application Process

Applicants should carefully review the application process as outlined below. CJD will not consider applications that fail to adequately address the application requirements and prompts.

- ☐ **Step 1 – Review eligibility and requirements:**
  - The Eligibility section outlines who may apply, which purpose areas will be considered, and the expenses and activities eligible to be included.
  - The Program-Specific Details section has information on timelines, reporting, and funding.
  - The Standard CJD Requirements section addresses application and project requirements.
- ☐ **Step 2 – Develop your project:** Special, abbreviated application procedures apply to this program. See the *Special Application Procedures* section for more information.
- ☐ **Step 3 - Apply in eGrants:** Compile and submit your grant application via eGrants, at http://eGrants.gov.texas.gov . For more instructions and information, see *How to Apply for a CJD Grant*, available at http://gov.texas.gov/cjd/resources.
- ☐ **Step 4 - Funding Decisions and Grant Acceptance:** Await the funding decision, which is provided through a grant award or other notice from CJD. If you receive an award, complete the acceptance process to access funds.

Application Resources

CJD has published several resources to assist applicants in understanding and applying for funding, all of which can be found at http://gov.texas.gov/cjd/resources

- *Guide to Grants*: CJD policies and guidance on common grant issues.
- *Grantee Conditions and Responsibilities*: A compendium of CJD and Homeland Security Grants Division policies for all grantees.
- *Standard Certifications and Requirements*: CJD's standard requirements that the Authorized Official must certify upon applying for a grant.

See the Special Application Procedures section for special application instructions under this funding announcement.

Eligibility

Eligible Organizations

Applications may be submitted by municipal governments or counties who operate municipal police departments or county sheriff's departments that employ officers who are engaged in traffic or highway patrol, otherwise regularly detain or stop motor vehicles, or are primary responders to calls for assistance from the public. Governments that received previous body-worn camera grants from CJD are eligible for additional funds under this funding announcement, but will receive lower priority than first-time applicants. (See Chapter 1701, Occupations Code, Subchapter N as amended by SB 158, 84th Legislature.)

Eligible Activities and Costs

Grant funds are restricted to the cost of body-worn cameras, digital video storage, and retrieval systems or services. CJD will not pay for any service or subscription-based support that exceeds the cost pro-rated to the one-year project period.

Grant funds must be used to equip officers employed directly by a municipal police department or a county sheriff's office who are regularly engaged in traffic or highway patrol, otherwise regularly detain or stop motor vehicles; or are primary responders who respond directly to calls for assistance from the public. Funds may not be used to equip officers employed by other agencies that are not eligible for this funding.

The Texas Department of Information Resources (DIR) has negotiated discounted prices on body camera equipment with several different vendors. Contacts and prices may be viewed at this link: http://dir.texas.gov/View-Search/Contracts.aspx?keyword=body%20cameras . For more information, contact Dana L. Collins at dana.collins@dir.texas.gov or 512-936-2233. DIR is also actively seeking agencies wishing to test a cloud-based video storage system and may offer incentives to participate. For more information, contact Tere Shade at terese.shade@dir.texas.gov or 512-475-4700.

Ineligible:

Projects funded under this announcement may not be used to support the unallowable services, activities, and costs listed in the *Guide to Grants* (available at http://gov.texas.gov/cjd/resources) and:

1. Salaries;
2. Indirect costs;
3. Costs ancillary to the purchase of cameras, storage, or the program operation, such as policy development, training costs, staff, or any other item determined ineligible or unreasonable by CJD; and
4. Any other prohibition imposed by federal, state or local law or regulation.

Eligible Purpose Areas

- Projects under this funding announcement are classified under the General Criminal Justice System Support – General Operational Support purpose area.

Program-Specific Details

Timeline

Action	Date
Funding Announcement Release	12/01/2017
Online System Opening Date	12/18/2017
Final Date to Submit an Application	02/20/2018 at 5:00PM CST
Earliest Project Start Date	06/01/2018
Latest Project End Date	09/01/2018

Funding and Reporting Details

Category	Detail
Funds Available	Up to $2 million[1]
Budget Minimum	None
Budget Maximum	None
Match Requirement	20% of total project cost[2]
Project Period	May *not* exceed 12 months
Program Income Method	Deduction (if applicable)
Funding Source	Funds are authorized under SB 158 and appropriated in Sec. 18.73 of the General Appropriations Act of the 84th Legislature.
Financial Reporting	At least quarterly, submitted via Financial Status Reports in eGrants
Financing Method	Reimbursement-for-costs basis
Progress Reporting	Close-out reports (see below)

1) Awards are dependent on funds remaining from the original legislative appropriation for this program.
2) Total project cost is the aggregate of OOG grant funds, cash match, and in-kind match. Go to the Guide to Grants, available at http://gov.texas.gov/cjd/resources for more information.

Close-Out Reports

Grantees must submit an online report to the Texas Commission on Law Enforcement (TCOLE) at https://www.tcole.texas.gov/ within 30 days of the date the grantee submits its final request for reimbursement to CJD (indicating that all purchases are complete). As a condition of funding, each grantee must file follow-up reports via the TCOLE website 12, 24, and 36 months later, for a total of three annual reports. Each of these reports will include information covering the previous 12 months:

1. Any expenditures on cameras during the previous year, including the make, model and cost of cameras;
2. Any expenditures on video storage during the previous year, including the method and cost of video storage and the amount of storage required;
3. Impact evaluation information including the following incidents during the previous year:
    a. number of public complaints filed against officers or the agency;
    b. number of public complaints sustained (i.e. those that were not dismissed);
    c. number of use of force incidents (as defined by the applicant);

d. number of arrests for resisting arrest, search, or transportation (Texas Penal Code Sec. 38.03);

e. number of arrests for evading arrest or detention (Texas Penal Code Sec. 38.04);

f. number of arrests for hindering apprehension or prosecution (Texas Penal Code Sec. 38.05); and

g. number of arrests for interference with public duties (Texas Penal Code Sec. 38.15).

Special Application Procedures

Applications under this program are exempt from filling out many parts of the eGrants application:

- **Profile tabs:** All information required.
- **Narrative tab:** Only the "Fund Source Information and Requirements" section is required. Applicants are not required to fill out the "Project Narrative" sections.
- **Activities tab:** Applicants should select "General Operational Support" under" General Justice System Support" as their purpose area. Applicants should select "Body-Worn Camera Program Implementation" as 100% of their activities.
- **Measures tab:** No information required.
- **Budget tab:** All information required.
- **Documents tab:** All information required.

Program-Specific Requirements

District attorney coordination letter: Before an applicant can receive reimbursement funds, they must upload a letter from the local district attorney expressing that they actively use the evidence created through the use of body cameras and will participate in the law enforcement agency's BWC policy development. More information and a sample resolution are available at http://gov.texas.gov/cjd/bodycams.

Governing board letter: Before an applicant can receive reimbursement funds, they must upload a copy of a resolution from their governing body designating an individual as the responsible official for the grant, committing to work with the District Attorney in the development of BWC policies and trainings and granting access to video evidence. The resolution must also contain a commitment to maintain the cameras and equipment purchased under the grant for at least three years, and an estimated budget needed to accomplish that. More information and a sample resolution are available at http://gov.texas.gov/cjd/bodycams.

Statutory requirements: Chapter 1701, Occupations Code, Subchapter N governs this grant program as well as the use of body-worn cameras by law enforcement in general. CJD strongly encourages all applicants to read this statute prior to applying for funds as it contains other legal requirements as well as criminal penalties for certain unapproved releases of digital information. It is critical that all law enforcement agencies using body-worn cameras have a clear understanding of this statute and all rules governing these programs as they are both state law and conditions of funding.

Department policies: A grantee, before CJD can reimburse for any costs, must have developed and have in place all policies required under Subchapter N, Chapter 1701, Occupations Code, including the policy required under Sec. 1701.655. Such a policy must ensure that cameras are activated only for law enforcement purposes and must include:

1. Guidelines for when a peace officer should activate a camera or discontinue a recording in progress, including the need for privacy in certain situations or locations;
2. Provisions relating to data retention, including a minimum retention period of 90 days;
3. Provisions relating to storage of video and audio, including backup copies and data security;
4. Guidelines for public access, through open records requests, where the recordings are public information;
5. Provisions entitling an officer to access any recording of an incident involving that officer prior to being required to make a statement;
6. Procedures for supervisory or internal review;
7. The methods for handling and documenting equipment and malfunctions of equipment;
8. A provision that law enforcement officers may not be required to keep a body-worn camera activated for the full period of their duty shift; and
9. All policies adopted must be consistent with the Federal Rules of Evidence and the Texas Rules of Evidence.

TCOLE has developed model policies for publication available at https://www.tcole.texas.gov/content/body-worn-cameras which may be helpful in establishing agency policies. All policies adopted by grantees must abide by any minimum standards established by TCOLE.

Training: All officers who will be equipped with cameras purchased under the program must be trained before doing so in official duty and CJD cannot reimburse any costs until this training has occurred. Such training must comply with the requirements of Sec. 1701.656, Occupations Code, which requires that, prior to operating a body-worn camera program, the grantee must train the officers who will wear the cameras as well as any other personnel who will come into contact with the video and audio data obtained through the program.

To assist law enforcement agencies in this task, TCOLE has developed training programs for the use of body-worn cameras. Law enforcement agencies, however, may use their own training, that of another agency or department, an existing training curriculum, or that of TCOLE to satisfy the requirements of this program. However, all such training must meet any minimum standards established by TCOLE.

Sustainment: Grantees must agree to maintain the equipment, replace broken or nonworking equipment, and maintain adequate digital video storage for a period of not less than three years from the date of final grant award.

Research and Reference Material on Body-Worn Cameras

The Bureau of Justice Assistance has developed a Body-Worn Camera Toolkit that serves as a clearinghouse for information and available research on these programs. The toolkit includes a large set of reports and information including guidance, research, and project evaluations. Much of the information below about resources is excerpted from BJA's toolkit. The toolkit can be found at: https://www.bja.gov/bwc/

There are several useful resources on body-worn cameras (BWC). The Police Executive Research Forum (PERF) and the Office of Community Oriented Policing Services (COPS) Office published a report in 2014 that examined key issues and offered policy recommendations. The report was based on survey responses from 254 agencies, interviews with 40 law enforcement executives who have implemented BWCs, and outcomes from a one-day conference held on September 11, 2013, that included more than 200 law enforcement executives, scholars, and experts. In April 2014, the Office of Justice Programs Diagnostic Center published a report that described the core issues surrounding the technology and examined the state of research on those issues (White, 2014). In March 2014, the National Institute of Justice (NIJ) published a market survey that compared BWC vendors across a range of categories. There is also a growing number of published evaluations that examine the implementation, impact, and consequences of body-worn cameras. The BJA web site and toolkit is intended to be a clearinghouse of the latest available research, reports, and knowledge on the technology.

For additional information, see:

- BJA offers a variety of technology resources including a Market Survey on Body-Worn Cameras compares the different commonly available cameras against a variety of technology capabilities. https://www.bja.gov/bwc/Topics-Technology.html
- Police Executive Research Forum (PERF) for the Office of Community Oriented Policing Services, Implementing a Body-Worn Camera Program: Recommendations and Lessons Learned: http://www.justice.gov/iso/opa/resources/472014912134715246869.pdf
- Office of Justice Programs Diagnostic Center, Police Officer Body-Worn Cameras: Assessing the Evidence: https://ojpdiagnosticcenter.org/sites/default/files/spotlight/download/Police_Officer_Body-Worn_Cameras.pdf
- National Law Enforcement and Corrections Technology Center (NLECTC) for the National Institute of Justice, Primer on Body-Worn Cameras for Law Enforcement: https://www.justnet.org/pdf/00-Body-Worn-Cameras-508.pdf

Standard CJD Requirements

When accepting an award under this funding announcement, the grantee agrees to comply with a variety of state and federal laws and regulations, including requirements related to Uniform Crime Reports, criminal history reporting, and immigration and customs enforcement requests. For more information see the following documents, available at http://gov.texas.gov/cjd/resources.

- *Standard Certifications and Requirements*
- *Grantee Conditions and Responsibilities*
- *Guide to Grants*

Selection Process

Application screening and grant review: CJD will review all applications to ensure that they meet the requirements included in the funding announcement. Applications that meet those requirements will be reviewed for reasonableness of cost.

Final decisions – all projects: The executive director will consider the grant review along with other factors and make all final funding decisions. Other factors may include cost effectiveness, overall funds availability, CJD or state government priorities and strategies, legislative directives, need, geographic distribution, balance of focuses and approaches, or other relevant factors.

CJD may not fund all applications or may only award part of the amount requested. Per Rule 3.9 of the Texas Administrative Code, all funding decisions made by the executive director are final and are not subject to appeal. The receipt of an application by CJD does not obligate CJD to fund the grant or to fund it at the amount requested.

Announcements

After CJD makes final funding decisions, each applicant will receive either an unfunded notice or a preliminary decision notification or final grant award.

About CJD

Our mission at the Criminal Justice Division is to direct much needed resources to those who are committed to making Texas a safer place and those who help victims of crime to recover and feel safe again. In carrying out this mission, we are committed to helping our grantees by actively finding ways for them to accomplish their goals and by making sure that we always have our eye to identifying the approaches that work best. We envision positive and beneficial working relationships with our grantees where we provide as much assistance as is needed and where are always ready with answers, not burdensome restrictions or requirements.

CJD will make over $275 million in funding available to hundreds of organizations during state fiscal year 2018 for juvenile justice, delinquency prevention, victims services, law enforcement, prosecution, courts, specialty courts, prevention of child sex trafficking, and other types of projects to benefit Texans.

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D.1.**

Meeting Date: 03/05/2018

Prepared By: Clint Philpott, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

CHANGE ORDER NO. 1

Northgate Drive Extension Project; Vessels Construction A Division of Vescor, Inc.; $141,283.22 decrease

Issue:

To consider the approval of Change Order No. 1 with Vessels Construction a Division of Vescor, Inc. for the Northgate Drive Extension Project

Background:

Change Order No. 1 will adjust the project quantities for the Northgate Drive Extension Project. Once the project bids were received, design changes were created to lower the full project cost. Design changes included a reduced headwall for the drainage system, removal of the "hammerhead' turn around. The water line that is removed will be installed by City forces. These design changes created a substantial cost savings of $141,283.22 for this project.

Origination:

Engineering Department

Financial Consideration:

The change order results in a $141,283.22 decrease in the contract amount, yielding a final contract price of $852,301.71.

Staff Recommendation:

It is recommended the Change Order No. 1 for the Northgate Drive Extension Project be approved

Alternatives:

As may be directed by the City Council

Attachments

Change Order No.1
Exhibit to Change Order No.1
Location Map

Change Order

Date of Issuance: 2/26/18

No. 1

Project: Northgate Drive Extension	Project No.: #3006-C Bid No. 2018-01
Owner: City of Sherman	Date of Contract: 11/20/2017
Contractor: Vessels Construction A Division of Vescor, Inc.	

The Contract Documents are modified as follows upon execution of this Change Order:

Description: See Attached "Northgate Drive Extension – Change Order #1"

Remove water lines and install by City forces.

Remove "hammerhead" turn around; allow Phase II contractor install as permanent.

Adjust storm drain system per improved design.

Justification:

Substantial cost savings are recognized by the redesign and reduction in scope.

CHANGE IN CONTRACT PRICE:	**CHANGE IN CONTRACT TIMES:**
Original Contract Price: $993,584.93	Original Contract Times: Substantial completion days: 130 Substantial completion date: May 25, 2018
~~[Increase]~~ [Decrease] from previously approved Change Orders No. 0 to No. 1: $(141,283.22)	~~[Increase] [Decrease]~~ from previously Change Orders No. 0 to No. 1: Substantial completion days: 130 Substantial completion date: May 25, 2018
Contract Price prior to this Change Order: $993.584.93	Contract Times prior to this Change Order: Substantial completion days: 130 Substantial completion date: May 25, 2018
~~[Increase]~~ [Decrease] of this Change Order: $(141,283.22)	[Increase] [Decrease] of this Change Order: Substantial completion days: 0 Substantial completion date: May 25, 2018
Contract Price incorporating this Change Order: $852,301.71	Contract Times with all approved Change Orders: Substantial completion days: 130 Substantial completion date: May 25, 2018

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: Clint Philpott	By:	By:
Engineer (Authorized Signature)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Date: 2-27-18	Date:	Date:

STATE OF TEXAS
CLINT PHILPOTT
111637
LICENSED
PROFESSIONAL ENGINEER

Northgate Drive Extension
Change Order #1

Bid Item	Description	Quantity	Unit	Unit Cost	Credits
1	Mobilization	0.58	LS	27,428.00	15,864.33
CO-1_A	Install Sleeves-Labor	120	LF	20.00	2,400.00
8	Lime 36#/SY	135	TON	-172.50	-23,287.50
8A	Lime 39#/SY	147	TON	172.50	25,357.50
10	Temp Asphalt, base, lime	-712	SY	50.40	-35,884.80
11	Street Header	37	LF	16.42	607.54
12	Metal Beam Guard Fence	-565	LF	27.39	-15,475.35
12A	Metal Beam Guard Fence	367	LF	30.71	11,271.30
CO-1_B	Type III Barricades	3	EA	1,200.00	3,600.00
13	Remove/Replace Fence	-345	LF	30.11	-10,387.95
16	7 x 4 Box Culvert	18	LF	488.74	8,797.32
CO-1_C	42" RCP	256	LF	140.85	36,057.60
17	36" RCP	-419	LF	94.79	-39,717.01
18	30" RCP	302	LF	75.97	22,942.94
19	27" RCP	-139	LF	75.22	-10,455.58
20	24" RCP	-67	LF	56.63	-3,794.21
21	18" RCP	141	LF	48.39	6,822.99
22	10' curb inlet	1	EA	3,153.63	3,153.63
23	Trench Safety	92	LF	0.58	53.36
26	Special Wall	-1	LS	40,053.00	-40,053.00
30	12" C900 PVC	-1533	LF	17.96	-27,532.68
31	8" C900 PVC	-130	LF	30.35	-3,945.50
32	6" C900 PVC	-30	LF	26.86	-805.80
33	4" C900 PVC	-65	LF	23.00	-1,495.00
34	12" Gate Valve	-6	EA	2,176.95	-13,061.70
35	8" Gate Valve	-2	EA	1,182.20	-2,364.40
36	6" Gate Valve	-3	EA	815.35	-2,446.05
37	4" Gate Valve	-1	EA	716.00	-716.00
38	Fire Hydrant	-3	EA	3,740.00	-11,220.00
39	Post Flush Fire Hydrant	-1	EA	2,873.00	-2,873.00
40	Ductile Iron Fittings	-3	TON	8,987.00	-26,961.00
41	Concrete Blocking	-4	CY	119.60	-478.40
42	Connect to Existing	-1	EA	1,546.00	-1,546.00
43	Water Testing	-1	LS	1,300.00	-1,300.00
44	Flowable Fill Backfill	-8	CY	113.85	-910.80
45	Bore 12" Water	-10	LF	150.00	-1,500.00
	Net Credit				**-141,283.22**

N

1 inch = 800 feet

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E.1.**

Meeting Date: 03/05/2018

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Setting the Public Hearing on a Proposed Amendment to an 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

Issue:

To consider setting a public hearing on a proposed amendment to a tax abatement agreement for the City Council's regular meeting on Monday, March 19, 2018

Background:

On April 15, 2013, the City Council approved a five-year Agreement with Texas Instruments Incorporated (TI) for the Abatement of Ad Valorem Property Taxes on warehousing equipment located in the Sherman plant that will be relocated to other facilities, repositioned within the Sherman plant, or otherwise liquidated. The Tax Reinvestment Committees of the City of Sherman, the Sherman Independent School District, Grayson County, and Grayson College met on February 27, 2018, to consider TI's request for a five-year extension to the Agreement. The value of the equipment has ranged from about $4.5 million to $13.3 million over the last four (4) years.

The original agreement consists of a 55% per year abatement and minimum taxable value of at least $10 million.The proposed amendment to the agreement calls for an additional five (5) year abatement under the same terms as the original agreement. By law, an abatement period may not exceed ten (10) years, including extensions.

Origination:

Texas Instruments Incorporated
Tax Reinvestment Committee

Financial Consideration:

There is no direct cost associated with scheduling the public hearing.

Staff Recommendation:

The staff recommends that the City Council set a public hearing on the proposed amendment to a tax abatement agreement for the regular Monday, March 19, 2018 Council meeting.

Alternatives:

No alternatives are recommended.

Attachments

Resolution No. 5760 with TI Tax Abatement Agreement

Proposed Amendment to TI Tax Abatement Agreement

RESOLUTION NO. 5760

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TEXAS INSTRUMENTS INCORPORATED FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES WITHIN INDUSTRIAL REINVESTMENT ZONE NO. 042013-1; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the Mayor be and is hereby authorized and directed, subject to receipt of a fully-executed agreement from Texas Instruments Incorporated and subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an agreement with Texas Instruments Incorporated for the abatement of ad valorem property taxes for a period of five (5) years, for improvements within Industrial Reinvestment Zone, Number 042013-1, City of Sherman, Texas, including the warehousing of equipment relocated to its Sherman plant from other locations within the company, said equipment to be stored locally until its relocation to other facilities, repositioning within the Sherman plant, or otherwise liquidated, in the same or substantially same form as the contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the 15th day of April, 2013.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

BY: Carolyn S. Wacker
CAROLYN S. WACKER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: BSS
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 15th day of April, 2013 (the "Effective Date"), by and among the City of Sherman, Texas, a home rule city and municipal corporation of Grayson County, Texas, duly acting herein by and through its Mayor ("City"); and Texas Instruments Incorporated, a Delaware Corporation, acting by and through its authorized officers ("TI"), for the purposes and considerations stated below:

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

I.
DEFINITIONS

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

A. "TI AFFILIATE" shall mean any Person, directly or indirectly controlling, controlled by, or under common control with TI. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

B. "EFFECTIVE DATE" shall have the meaning given it in the introductory paragraph of this Agreement.

C. "ELIGIBLE PROPERTY VALUE" shall mean (i) with respect to each Qualified Facility for a particular tax year, the value of such Qualified Facility on the tax rolls of the Grayson Appraisal District as of such tax year; and (ii) with respect to business personal property located on the Premises for a particular tax year, the value of such business personal property on the tax rolls of the Grayson Appraisal District as of such tax year.

D. "FORCE MAJEURE" shall mean, without limitation, acts of God, or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action other than the City's legislative zoning authority, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of TI (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

E. "PERSON" shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

F. "PREMISES" shall mean all that parcel of land owned by TI as hereinafter described in Exhibit B attached hereto.

G. "QUALIFIED FACILITIES" shall mean any building, improvement, structure, fixture, parking or paving constructed on the Premises.

H. "REAL PROPERTY" and "PERSONAL PROPERTY" shall, for the purposes of this agreement, be defined by the Texas Tax Code.

I. "WAREHOUSED PROPERTY" is defined as any TI owned equipment from another TI facility or supplier, to be moved in and out throughout the duration of this agreement, equipment of which is not used in the day-to-day operations of TI.

II.
GENERAL PROVISIONS

A. All procedures followed by the City shall conform to the requirements of the Code, and shall be undertaken in coordination with TI's corporate, public, employee, and business relations requirements.

B. The Premises will be owned by TI or a TI Affiliate, which Premises are located solely within the city limits of the City and solely within the Zone.

C. The Premises are not in an improvement project financed by tax increment bonds.

D. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City; provided, however, that this section shall not be construed to create a security interest in the Premises or Qualified Facilities in favor of such holders of outstanding bonds of the City.

E. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of the City or any member of the governing body of any taxing unit joining in or adopting this Agreement.

F. This Agreement is intended to comply with the requirements of Section 312.204 of the Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Texas Tax Code, Chapter 312, by the Guidelines and by resolution of the City Council authorizing execution of this Agreement.

G. During the period of the tax abatement herein authorized, TI shall be subject to all applicable City taxation not specifically abated or exempted, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

III.
CONDITION PRECEDENT TO TAX ABATEMENT

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

IV.
TERM AND ABATEMENT PERIOD

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

V.
INITIAL AND MINIMUM TAX LIABILITY

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

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

VI.
RATE, SCOPE, CONDITIONS AND COVENANTS

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

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

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

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

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

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

VII.
REPORTING AND MONITORING

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

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

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

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

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

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

VIII.
BREACH/FAILURE TO MEET CERTAIN CONDITIONS

In the event that TI breaches any of the terms or conditions of this Agreement, then TI shall be in default of this Agreement. In the event TI defaults in its performance, the City shall give TI written notice of such default/failure of condition and, if TI has not cured such default/failure of condition within sixty (60) days of said written notice, then this Agreement may be terminated by the City; provided, however, that if such default is not reasonably susceptible of cure within such sixty (60) day period and TI has commenced and is pursuing the cure of same, then, after first advising the City Council of TI's efforts to cure same, TI may utilize an additional ninety (90) days for such purposes. Additional time, i.e., time in addition to the foregoing one hundred fifty (150) days, may be authorized by the City Council. City's sole and exclusive remedy against any Person for any breach or failure of condition under this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that this Agreement shall terminate and all future tax abatements under this Agreement shall be void (it being understood that the City shall not be entitled to any repayment of tax abatements under this Agreement, except as provided in Section IX below, and it being further understood that the failure to meet a covenant set forth in Section VI.B., C. or D. for any year is not a breach and results only in the loss to the right to abatement for such year). Notwithstanding any provision in this Agreement to the contrary, neither TI nor any other Person shall be required to pay any amounts to the City under this Agreement, with the only remedy being the loss of future tax abatements.

IX.
CONTINUITY OF OPERATIONS

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

X.
EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

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

XI.
NOTICE

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

TI:

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

City:

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

XII.
CITY COUNCIL AUTHORIZATION

This Agreement was authorized by resolution of the City Council that was approved by the affirmative vote of a majority of the City Council at its regularly scheduled City Council meeting on the 15th day of April, 2013, authorizing the Mayor to execute this Agreement on behalf of the City.

XIII.
TI AUTHORIZATION

An authorized representative of TI entered into this Agreement.

XIV.
SEVERABILITY

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

XV.
ESTOPPEL CERTIFICATE

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

XVI.
APPLICABLE LAW

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

XVII.
INDEMNIFICATION

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

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

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

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

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

XVIII.
ENTIRE AGREEMENT

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

EXECUTED the 15th day of April, 2013.

CITY OF SHERMAN, TEXAS

By: Carolyn S Wacker
Carolyn S. Wacker
Mayor

ATTEST:

By: Linda Ashby
Linda Ashby
City Clerk

CITY OF SHERMAN, TEXAS
APPROVED AS TO FORM:

By: ____________________
Brandon S. Shelby
City Attorney

TEXAS INSTRUMENTS INCORPORATED,
a Delaware Corporation

By: ____________________
Paul Fego
Vice President of Worldwide Manufacturing

MAYOR'S ACKNOWLEDGEMENT

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

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of April, A.D., 2013.

NOTARY PUBLIC STATE OF TEXAS
LINDA ASHBY
Notary Public
STATE OF TEXAS
My Comm. Exp. 06-06-2014

Linda Ashby
Notary Public in and for the State of Texas

Linda Ashby
(Typed/Printed Name of Notary)

My Commission Expires:

6/6/2014

TI ACKNOWLEDGEMENT

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

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29 day of April, A.D., 2013.

Becky Layton
Notary Public
STATE OF TEXAS
My Comm. Exp. 10/18/2015

Becky Layton
Notary Public in and for the State of Texas

Becky Layton
(Typed/Printed Name of Notary)

My Commission Expires:

10-18-2015

EXHIBIT A
TO TAX ABATEMENT AGREEMENT

<u>Comprehensive Guidelines</u>

[Attached]

RESOLUTION NO. 5676

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

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

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

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

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

CITY OF SHERMAN'S
RENEWED TAX ABATEMENT GUIDELINES AND CRITERIA

1. A tax abatement agreement must be reasonably likely to contribute to the retention or expansion of primary employment or to attract a primary employer to make a major capital investment that will benefit the City of Sherman's economic development. Primary employers are those companies whose sales, service and shipments are ultimately used in statewide, national or international markets.

2. A tax abatement agreement will not be entered into where a company is only changing its location within Grayson County, without increasing the number of employees, significantly expanding the facilities, or unless failure to grant such abatement would mean the loss of the business operation in Grayson County.

3. Tax abatement agreements will be considered for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

4. The City Council of the City of Sherman will approve or deny a tax abatement request based upon the subjective evaluation of the following guidelines and criteria. The Council may consider any advisory recommendations received from the Tax Reinvestment Advisory Committee as it may choose:

- Employment Impact

  How many jobs will be created by this project?

  How many current jobs will be retained by this project?

  What types of jobs will be created or retained?

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

- Fiscal Impact

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

  What is the economic life to the additional property?

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

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

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

- Community Impact

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

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

  What is the environmental impact of the project?

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

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

PASSED AND APPROVED on this the 4th day of June, 2012.

CITY OF SHERMAN, TEXAS

BY:
BILL MAGERS, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY:
BRANDON S. SHELBY, CITY ATTORNEY

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

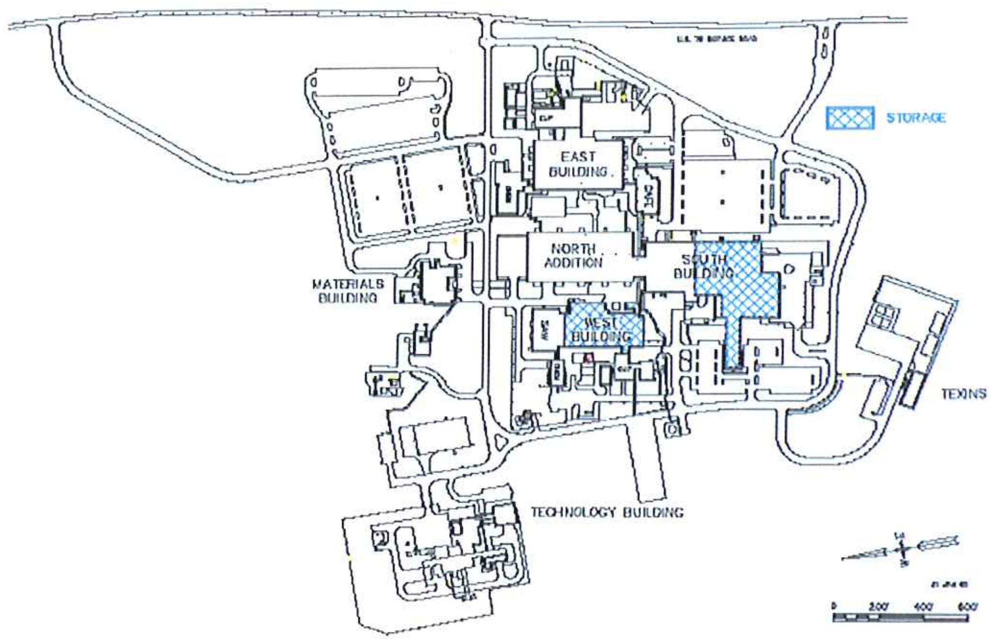
Linda Ashby
CITY CLERK, SHERMAN, TEXAS

ISSUED: 2/6/13

EXHIBIT B
TO TAX ABATEMENT AGREEMENT

The Premises

TI-SHERMAN



Field Notes

Legal Description

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

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

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

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

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

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

THENCE: S 11° 15' 15" W 2772.22 feet with the West right-of-way of U.S. 75 and the East line of the 470.340 acre tract to a 1/2 inch iron rod for corner from which a right-of-way marker bears N 11° 15' 15" E 151.00 feet and from which the most Easterly Southeast corner of the 470.340 acre tract bears S 11° 15' 15" W 661.92 feet;

THENCE: Across said 470.340 acre tract as follows:

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

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

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

AMENDMENT 1 TO TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND TEXAS INSTRUMENTS INCORPORATED

This is an amendment to the April 13, 2013 tax abatement agreement between the City of Sherman, Texas and Texas Instruments Incorporated. The following addition to the agreement is hereby approved by both parties to the agreement:

Term and Abatement Period shall be ten (10) years beginning January 1, 2014

IN WITNESS WHEREOF, the parties hereto have made and executed this Amendment as of March ____, 2018.

CITY OF SHERMAN: TEXAS INSTRUMENTS INCORPORATED

___________________________ _________________________________

City Council Regular Meeting **E.2.**

Meeting Date: 03/05/2018

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

OTHER BUSINESS

Receive Presentation from City Manager Robby Hefton on the City of Sherman's Employee Health Insurance Program

Issue:

The City of Sherman's Employee Health Insurance Program

Background:

City Manager Robby Hefton will take this opportunity to provide the Council with an update on the City's Employee Health Insurance Program.

Origination:

City Manager Robby Hefton

Financial Consideration:

This presentation has no financial impact.

Staff Recommendation:

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

Alternatives:

None recommended

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting
Meeting Date: 03/05/2018
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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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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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